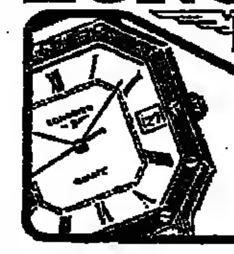
FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 28,901
Saturday October 16 1982
*** 30p



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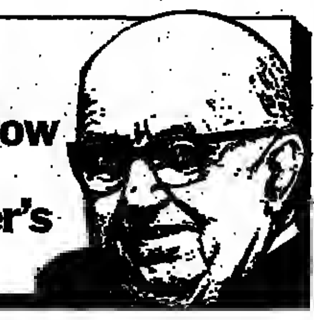

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NEWS SUMMARY

GENERAL

BR and unions 'accept' McCarthy

British Rail has secured outline acceptance of the 6 per cent pay and productivity award recommended by Lord McCarthy, from all three rail unions.

Aslef yesterday signalled its willingness to come into line and detailed talks on the implementation of the productivity recommendations are likely to start next week.

Points to be discussed include moves towards single-driver manning, flexible rostering and trains without guards. Back Page

Missile plant hit

A car bomb blast outside a factory in Toronto, Canada, which makes parts for Cruise missiles, injured seven people. Page 2

Party to vote

Japan's faction-ridden ruling Liberal Democratic Party failed to choose a successor to outgoing party president and premier Zenko Suzuki. Page 2

Attacks charge

An alleged leader of left-wing group Action Directe, Frederic Oriach, was charged by a Paris judge with complicity in six guerrilla attacks in France.

Police swoop

Italian police arrested 22 people in a swoop against organised crime triggered by the killing of anti-Mafia police chief General Dalla Chiesa, in Sicily, last month.

Piracy move

A Polish couple who hijacked a Bulgarian airliner to Vienna yesterday were charged with air piracy.

Petrol increase

Shell last night raised its pump prices for petrol by 2.5p a gallon taking the price to 175p-176p. Page 3

Place for Kizzy

Kizzy Chambers, five, banned by a priest from a Deptford, London, school because her parents were not married, has now been accepted

Webster guilty

National Front organiser Martin Webster was found guilty at Horseferry Road magistrates court, London, of public order offences. He was remanded on bail until Tuesday.

Weapons total

Britain's stockpile of nuclear weapons probably numbers between 1,500 and 2,000, according to a report by a Lancaster University researcher. Page 4

Bride gloom

Soviet wedding parties consume too much working time, drink and money, said Pravda, in a call for more sober festivities.

Briefly . . .

Blast in sugar refinery in Tirlemont, Belgium, injured 28.

Former Turkish Premier Bulent Ecevit was released from jail.

The 5,000th Financial Times crossword appears today, Page 14

BUSINESS

Gold falls in U.S.; dollar rises

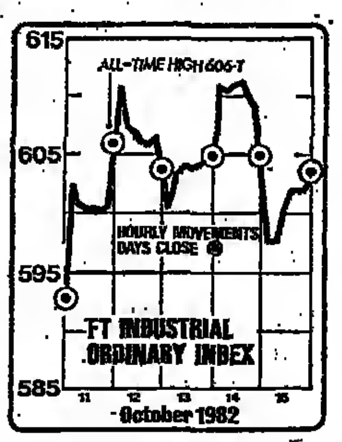
● GOLD fell $17 to $434.5 in London, reflecting nervousness ahead of U.S. money supply figures expected to show a substantial rise. In New York the Comex October close was $423 ($440.3). Page 21

● DOLLAR rose in London to DM 2.5185 (DM 2.5155), SwFr 2.1525 (SwFr 2.1480) and Y269.6 (Y267.9), but eased to FFr 7.12 (FFr 7.1225). Its trade weighted index was 124.4 (123.8). Page 21

● STERLING slipped 30 points to $1.7035. It eased to DM 4.2925 (DM 4.295) and FFr 12.125 (FFr 12.15) and was unchanged at SwFr 3.6675. Its trade weighted index was 92.7 (92.8). Page 21

● GILTS: The Government Securities Index fell 0.1 to 83. Page 24

● EQUITIES: The FT 30-share index was down 1.0 at 603.9, a gain of 11 points on the week. Page 24



● WALL STREET was down 4.23 to 992.64 near the close. Page 20

● SOVIET UNION has been offered up to 23m tonnes of U.S. grain in the current crop year by President Reagan. Page 2

● OILFIELD of considerable size has been discovered by an Italian-led consortium off the south coast of Sicily. Back Page

● ISUZU MOTORS of Japan said its one-tonne pick-up trucks are to be produced in the UK by Vauxhall — who denied agreement had been reached. Page 4

● THOMSON-CSF, the French electronics and telecommunications group, reported first-half losses of FFr 550m (£45m) against last year's total loss of FFr 63m. Page 23

● AMDAHL of California, mainframe computer manufacturer, reported net profits for the third-quarter down to $630,000 (£368,000) from $7.46m. Page 23

● STANDARD Telephones and Cables offer for sale of 40m shares was heavily oversubscribed. Page 18

● LEE COOPER GROUP, jeans and casual wear manufacturer, lifted pre-tax profits for the first half to £4.85m from £4.61m. Page 18

Inflation rate falls to 10-year low of 7.3%

BY ROBIN PAULEY

BRITAIN'S annual inflation rate fell to 7.3 per cent in September, its lowest level for 10 years. For the first time since 1970, overall prices in the shops dropped during the month.

Government leaders were elated yesterday at the Employment Department figures. Together with Wednesday's fall in interest rates to single figures for the first time in more than four years, the returns provided some cheer after a long series of indicators showing no recovery in the economy.

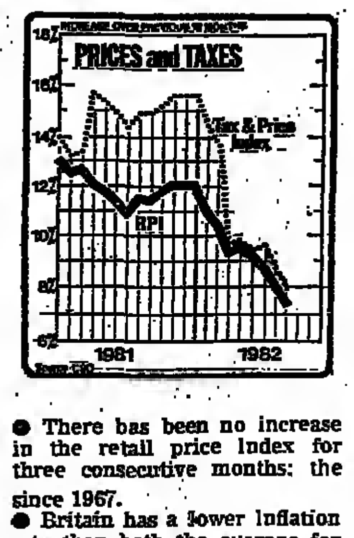
Mr Norman Tebbit, Employment Secretary, said yesterday: "We have had lots of talk about special measures to create jobs. This week we have had news of just the measures we need: interest rates and inflation have been falling fast."

The latest retail price figures show that:—

● The annual rate of inflation is at its lowest level since September 1972.

● The Government has achieved its aim of beating the lowest inflation level of the last Labour Government — 7.4 per cent in June 1978 under Mr Denis Healey's Chancellorship.

● Prices fell in September for the first time in a single month since 1970.



● There has been no increase in the retail price index for three consecutive months: the since 1967.

● Britain has a lower inflation rate than both the average for the OECD and the EEC.

● Within the Common Market only West Germany and Holland have a lower inflation rate than the UK.

Britain's major competitors, however, have very low rates of inflation—West Germany's figures is 5.1 per cent. Japan's 3.1 per cent and that of the U.S. 5.9 per cent. The underlying trend in all three countries is downwards.

The biggest impact on reduced inflation in September was the fall in the mortgage rate from 13½ per cent to 12 per cent. This alone reduced prices by almost ½ per cent. Building society leaders have already promised that mortgage rates will be further reduced when they meet next month. Given the extent to which bank base rates have fallen, a cut of 1½ or 2 percentage points on the mortgage rate looks likely.

Such a move would further reduce the inflation rate, offering the prospect that the Government's new target of a rate of about 6½ per cent by the year-end will be realised.

Brokers James Capel last night predicted that the inflation rate could be as low as 5.1 per cent in December.

One effect of falling prices is that the cash-in value of index-linked National Savings certificates—"granny" bonds—will be lower in November than October.

This is because they are directly linked to the retail price index. The monthly change in prices has never been negative since granny bonds were launched in June 1975.

A £100 bond taken out then

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Fowler plan may lead to NHS dispute breakthrough

BY DAVID GOODHART AND JOHN LLOYD

A BREAKTHROUGH in the six-mont-old health dispute looks possible. This follows reports that Mr Norman Fowler, Social Services Secretary, is ready to put forward a package acceptable to the Royal College of Nursing and the other non-TUC health unions.

Whitehall sources are suggesting that Mr Fowler wants to concede some of the demands made by leaders of the non-TUC unions, who have recently been holding exploratory talks with him and officials of his department.

If the deal were to go through it would be difficult for the TUC unions, who represent most of the ancillary workera and a minority of nurses, to continue an effective campaign. Support for the regional days of action is already showing signs of tailing off.

The new package would include a rise for nurses close to the claim of 12 per cent, but paid only from August this year rather than the April anniversary date. It would thus be worth nearer the Government'a present offer of 7.5 per cent to nursea.

The package would alao concede a higher pay offer next year—the maln stumbling block in recent talks—and bring forward the new long-terb arrangement on nurse's pay from April 1984 to April 1983.

The increased pay offer for next year would probably only he in the region of 1 per cent but could still be attractive to the non-TUC unlon leaders, coming on top of a recent 10-12 per cent rise.

A similar approacb is being considered for anrillaries' pay, but the presenl differential of 1.5 per cent more for nurses would be retained.

Mr Fowler is not yel prepared to argue for this new package in the Cabinet, but if there are no hitches at his next meeting with the non-TUC union leaders on October 19 the Cabinet will probably discuss lt before the end of the month.

It will then be formally presented by the management side of the Nurses and Midwives Whitley Council on November 9.

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NHS growth doubts, Page 3

Posgate set for court battle

BY JOHN MOORE, CITY CORRESPONDENT

A HEAD-ON CLASH in the High Courts is set to begin between the committee of Lloyds and Mr Ian Posgate, the former star underwriter of Alexander Howden Group.

Mr Posgate, who is a member of the influential Lloyd's committee, was given leave yesterday by the courts to fight a decision by Lloyd's and Sir Peter Green, its chairman, to suspend him from all underwriting within its insurance market.

Mr Posgate, who earned £361,200 a year at Lloyd's, was suspended on September 20. The suspension followed allegations by Alexander & Alexander Services, Howden's American owners, that $55m (£32.3m) of group funds had been misappropriated by four former Howden direclors. Mr Posgate was named as a fifth Howden executive involved in the alleged misappropriation.

Mr Posgate was ousted from Alexander Howden Underwriting in a boardroom manoeuvre by Alexander & Alexander. Alexander Howden Underwriting is the agency company which runs the Lloyds underwriting syndicates, where Mr Posgate acted as underwriter.

He is suing Alexander Howden Underwriting, arguing that the transfer of important voting shares to Alexander & Alexander, under an agreement, was "a sham."

Sir Peter Green had written to Alexander Howden Underwriting and Posgate & Denby Agencies immediately before Alexander & Alexander's moves to oust Mr Posgate from the group, requiring Mr Posgate's suspension — otherwise the two companies' position within Lloyd's might be affected.

Mr Christopher Clarke, Mr Posgate's counsel, told Mr *Justice Stephen Brown* in yesterday's hearing in the courts that the case should be heard quickly because the suspension "affected Mr Posgate's livelihood."

Mr Posgate will claim in a judicial review that Lloyds, in writing the letters in question, acted ultra vires and in a way which was contrary to the requirements of natural justice.

Alexander Howden Underwriting has insisted that Mr Posgate returns a Mercedes company car to them, which he was allowed to use.

His petrol costs were also met, and he was entitled to an expense allowance of £5,000 per annum, signing rights on American Express, Diners Club cards and at the Savoy Hotel.

Also yesterday, a plan to merge the largest underwriting syndicate at Lloyd's—number 127 and managed by the Howden group—with another Howden-managed Lloyd's syndicate, number 868, has been abandoned by Howden. Mr Posgate was the underwriter for syndicate 127.

Howden abandooed the plan after protests by some members of syndiate 868, who were worried about becoming embroiled in the problems of syndicate 127, and intervention by the committee of Lloyd's.

U.S. output figures show recession unabated

By Anatole Kaletsky in Washington

THE U.S. recession continued unabated in September, according to industrial production figures published yesterday by the Federal Reserve Board.

These showed a fall of 0.6 per cent, largest decline for four months, which has left industrial production 10.4 per cent below its level in July 1981, at the start of the recession.

The depth of the slump has brought inflation to a standstill. In a separate report yesterday the U.S. Labour Department's producer price index showed a fall of 0.1 per cent in September, rather than the moderate rise of about 0.5 per cent which most analysts expected.

The two sets of figures underline the factors cited last weekend by Mr Paul Volcker, chairman of the Federal Reserve Board, in explaining recent Fed actions which have encouraged a fall in U.S. interest rates.

The Fed was taking decisions on monetary policy against a "background of continued sluggishness in business activity" and amid "growing evidence that the inflationary momentum has been broken," he said last week.

The industrial production figures show a very broadly based pattern of weakness throughout the economy. The only major industrial category to show significant output growth in September was defence and space equipment, with an increase of 0.5 per cent.

Non-durable consumer goods and construction supplies showed marginal increases, but in both cases output growth was smaller than in the past few months.

Business equipment manufacturers suffered the biggest production decline, 1.6 per cent, and output of consumer durables fell for the second month running, after registering

Continued on Back Page

£ in New York

	Oct. 14	Previous
Spot	$1.7035-7050	$1.7130-7145
1 month	0.01-0.04 pm	0.01-0.04 pm
3 months	0.34-0.37 pm	0.35-0.39 pm
12 months	3.50-3.10 pm	2.05-6.15 pm

SDP council rejects immediate statutory incomes policy

BY PETER RIDDELL, POLITICAL EDITOR

THE INAUGURAL meeting of the Council for Social Democracy, the SDP's 400-member parliament, yesterday rejected the advice of the party leadership on the central issue of incomes policy.

This came at the end of a day in which the SDP leaders and activists showed that they were coming to grips with real politics at last, and were in self-confident and determined mood, despite the party having slipped in the opinion polls this year.

The council, meeting at Great Yarmouth, decisively rejected proposals that the SDP commit itself now to a conventional statutory incomes policy in a short interim phase before a framework for the longer term is agreed. Instead, it opted for a vaguer formula, which involved general support for an incomes policy at the next election, followed by wider consultations on the precise arrangement, which could include a statutory policy.

The decision will be an embarrassment to the leadership, in that it provides ammunition for critics of the party and creates differences with the Liberal Party, which favours a statutory policy.

SDP leaders argued last night that the practical consequences of the decisions taken yesterday might be limited. Under the party's constitution, the issue will go back to the policy committee, which will consider whether the party needs any more than a general commitment to an incomes policy at the next election, and might present revised proposals to the next meeting of the council in January.

Mr Roy Jenkins, the party leader, commented that the principle of a firm incomes policy was not challenged. He said the council wanted to get away from a repeat of the past, as he did. "I confidently expect that, in January, when the matter must come back, we will reach a satisfactory agreement."

The commitment to a tough statutory policy was not in the party's original proposals. It was only inserted after a lengthy internal tussle and the personal intervention of Mr Jenkins. This was at a meeting not attended by some other party leaders. They were taking a detached view of the vote last night because they have always favoured a flexible approach. At the outset of the debate, Mr Jenkins had stressed the desirability of starting from a statutory policy and moving on to greater flexibility.

The amendment against an immediate statutory policy was proposed by Ms Ruth Levitt, an aide to Dr David Owen of the party leadership. He has been privately critical of some aspects of official policy, despite his conciliatory gestures to Mr Jenkins in public this week.

Supporters of Mr Jenkins were bitterly critical of Dr Owen last night, alleging that he had changed his mind after endorsing in private the proposal for a statutory policy, and saying that he had weakened the party.

Dr Owen welcomed the vote, not only for showing that the council is a real parliament but also because it kept all the options open. He said there might still be a statutory policy, if necessary.

The vote also demonstrated that the activists dislike what they see as an old style of formal approach to economic issues, and prefer a radical and flexible attitude along the lines favoured by Dr Owen.

The session yesterday was seen by participants as a display of the party's confidence to determine its identity. After the four days of somewhat aimless discussion during the consultative assemblies at Cardiff and Derby this week, the sesion yeterday was more like a conventional political meeting.

The activists and the leadership still seem to believe that the party is on the up, and do not appear downhearted by the setbacks of the last six months. Mr Jenkins attempted to present himself as a potential Prime Minister and, in one of his most magisterial speeches, argued that only the SDP had the right policies to get the jobless back to work.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Treas. 2% I.L. '88	£96¾	+ ¼
British Printing	41	+ 3
Cook (Wm.) (Sheffield)	14	+ 3½
Forward Technology	14	+ 4
Glass Glover	195	+ 7
ICI	316	+ 8
Land Securities	281	+ 5
Lee Cooper	113	+ 8
MEPC	181	+ 5
Newmark (Louis)	230	+ 20
Solicitors Law	27	+ 2
TI	106	+ 8
Wagon Finance	48	+ 3
Whatman Reeve Angel	422	+ 17
Geevor	78	+ 5

FALLS:

Treas. 12¼% '86 Cnv.	£115½	— ¼
BOC	196	— 8
Barclays Bank	370	— 8
Beecham	380	— 15
Cater Allen	415	— 20
Cornell	175	— 11
Green's Economiser	70	— 5
Jerome (S.)	78	— 6
Lloyds Bank	370	— 8
Mowlem (J.)	214	— 8
Racal Elect.	567	— 6
Reckitt & Colman	372	— 10
Union Discount	610	— 15
Ventona	99*	— 7
Burmah Oil	140	— 5
Doornfontein	£12¼	— ¼
Kitchener Mining	82	— 8
Meekatharra	175	— 7
Rustenburg Plat'num.	272	— 6
Western Areas	243	— 6

* Price at suspension

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RIFTS HAMPER SEARCH FOR SUZUKI'S SUCCESSOR

Race to settle Japan's leadership crisis

BY RICHARD HANSON IN TOKYO

Leaders of Japan's ruling Liberal Democratic Party (LDP) were still struggling last night to find a successor to Mr Zenko Suzuki as prime minister.

Mr Suzuki plunged the party into bedlam this week with a surprise decision not to seek re-election as president of the LDP, a post which carries with it the job of Prime Minister.

A hastily-formed "committee of three" senior party members (Mr Suzuki, Mr Takeo Fukuda, former premier, and the LDP secretary general Mr Susumu Nikaido) worked late into the evening yesterday to find a candidate acceptable to all bot apparently with little success.

Time runs out for the three politicians, who represent the three largest factions in the badly divided LDP, early today: the deadline for declaring candidates for the president's post.

Manoeuvring among candidates has intensified and the outcome of the deliberations will probably not be known until early today. Last night it was clear that strong objections have been raised to the claims of Mr Yasuhiro Nakasone, the leader of one of three factions which supported Mr Suzuki.

The LDP is split lopsidedly between three "leadership" factions, which control almost two-thirds of LDP parliamentarians and three non-mainstream factions.

Mr Fukuda, as a member of the committee of three and the chief of the largest non-leadership faction, has led the opposition to Mr Nakasone's candidacy.

Should no single candidate emerge today, the LDP would face two almost equally undesirable possibilities.

If four candidates declare their intention to run for president, there will be a primary election in which the 1.1m rank and file members of the party will vote. The two contenders with the most votes would then face a run-off vote among parliamentary members of the LDP, scheduled for November 25.

The other (and perhaps more likely) possibility is that wrangling among the factions will continue until a compromise is reached. Mr Suzuki was selected like this two years ago, in an extraordinarily-long round of infighting following the death of Mr Masayoshi Ohira, then prime minister.

While Mr Nakasone, 64, currently director of the Administrative Management Agency, is the prime candidate from the leadership factions, the non-leadership groups could put up as many as three candidates.

Mr Toshio Komoto, director general of the Economic Planning Agency, is considered the strongest contender in a primary vote. Mr Shintaro Abe, a top member in Mr Fukuda's camp, might also declare, as may Mr Ichiro Nakagawa, another member of Mr Suzuki's cabinet.

Takeo Fukuda

U.S. offers major grain boost to Moscow

By Anatole Kaletsky and Nancy Dunne in Washington

PRESIDENT Ronald Reagan yesterday offered to sell the Soviet Union up to 23m tonnes of U.S. grain — almost three times the amount required under the long-term U.S.-Soviet grain sales agreement.

In an announcement clearly designed to boost the Republican Party's waning popularity in depressed agricultural regions ahead of the November 2 congressional elections, the President also guaranteed the Soviets "contract sanctity" on any grain they order by the end of November. Delivery would not be disrupted for 180 days on any grain contracts signed by then, irrespective of any "political differences".

Mr Reagan also promised that grain sales would not be used again as "an instrument of foreign policy", except in extreme circumstances. He made it clear that the grain embargo imposed by President Jimmy Carter after the Soviet invasion of Afghanistan did not qualify under this heading.

However, grain traders noted that Mr Reagan failed to guarantee contract sanctity throughout the coming year, a gesture which Congressmen and lobbyists from farming states have been demanding.

President Reagan also acknowledged that he does not know whether the Soviets will actually wish to buy as much as 23m tonnes of grain. Last year the U.S. offered the same amount but Moscow only purchased about 14m tonnes.

In addition to promising farmers higher grain sales to the Soviet Union, the President attacked the agricultural protectionism practised by Japan and Europe. He warned that the U.S. would counter "with strong measures of our own" unless these countries started abiding by the rules of the game on agricultural exports.

● Mr John Block, U.S. Secretary of Agriculture, said the Government has no plans to extend credit to the USSR for grain purchases.

Dutch optimistic on £4.2bn Indonesian gas pipeline contract

BY WALTER ELLIS IN AMSTERDAM

GASUNIE, the Dutch national gas corporation, is hoping to win a contract from the Indonesian Government for the construction of a Fl 20bn (£4.26bn) gas pipeline. The 2,900 km pipeline would be assembled in five phases — the first to be operational by January 1987.

Amsterdam-Rotterdam Bank (Amro) is acting as financial adviser to Gasunie on the contract and would expect to be appointed lead bank in the multi-billion guilder syndicate required to fund the pipeline and its installations.

Although Gasunie is optimistic that it can secure the contract, it is understood that other bidders have begun to press for consideration and that the deal is far from concluded by the Dutch.

The Indonesian Government said yesterday that a feasibility study on the pipeline would begin in six months. Gasunie, on the other hand, has already presented preliminary proposals to Jakarta and claims that these have been well received.

Dr Subroto, Indonesian Minister for Mines, Science and Technology is understood to have discussed the project with representatives of Migas, a leading gas enterprise, and Pertamina, the Indonesian state energy corporation, as well as with the Indonesian central bank and leading oil companies.

The feasibility study, concentrating on the technical and economic aspects of the proposed pipeline, would take up to two years to complete and would involve wide-ranging consultations at home and abroad.

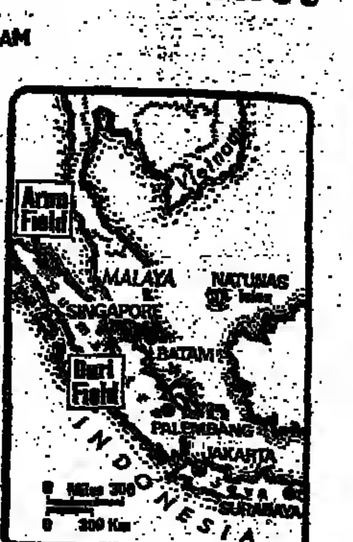
The first phase of the project would link the Indonesian gas field of Arun, in North Sumatra, to Duri field in central Java and Batam island, south of Singapore.

The Indonesian Government calculates that this could lead to the recovery of some 60bn cu m of natural gas, the revenue from this could be put towards the rest of the project.

The second phase would join Singapore to the Natuna gas field and could bring about the exploitation of some 3,000bn cu m of reserves. An undersea pipeline would next link Java with Palembang and a pipeline would then cross the island of Java itself to Surabaya. Finally, all the links would be joined to provide a 2,900 km link between Java and Sumatra across the expanse of the Indonesian archipelago.

Gasunie, which acquired considerable expertise in gas exploitation and marine pipeline construction through its development of the Netherlands' own natural gas fields, would hope to be appointed main contractor to the project, which also involves the erection of pumping and compression stations.

The Dutch concern has already worked with Pertamina, while Amro has extensive Far Eastern contacts.



Lebanese fighting rages on

By Nora Boustany in Beirut

FIGHTING between Druze Moslems and Christian militias continued for a fourth day yesterday in the Chouf mountains, south-east of Beirut.

At least five people were killed and 54 were wounded in fierce artillery and machine gun exchanges. A decision to send in the Lebanese Army has been taken—but no move has been made to deploy its forces in the area.

Local residents said the only forces that had tried to get near the battles were Israelis, who watched the shelling from nearby villages but without intervening. They were later seen pulling out. Israel again appealed yesterday for an end to the fighting.

A prominent Druze said: "The situation in the Chouf is extremely dangerous and explosive. The presence of Israeli soldiers, many of whom are Druze, is like throwing oil into the fire."

The Druze, a member of one of that sect's influential families in Lebanon, but who asked not be named, said he had been approached by Israeli Druze officers who offered him protection against the Falange-dominated Christian militias.

Bomb damages Cruise missile plant in Toronto

BY NICHOLAS HIRST IN TORONTO

A CAR BOMB exploded in suburban Toronto on Thursday night, causing millions of dollars of damage to Litton Systems, Canada's plant which produces guidance systems for Cruise missiles on contract to the U.S. Defence Department.

No one has claimed responsibility for the attack.

Three policemen and four workers at the plant were injured. One policeman and two workmen were treated for their injuries and then released. The injured suffered facial, head, back and foot wounds. Half of the front of the plant was destroyed. Chunks of masonry were thrown 200 metres in what police described as "a very large explosion."

Litton Systems is a subsidiary of the U.S. conglomerate Litton Industries. Cruise missiles, which are to be based in Western Europe under President Reagan's defence programme, have been a constant source of controversy in Canada. The United States has asked the Canadian Government for permission to test the missiles in Canada. The Canadian Defence Department said a protocol was expected to be signed by the end of this year, but testing was not likely to start until 1983.

Police were called to the Litton plant after an anonymous telephone call warned that explosives were contained in a cardboard box in a van outside the plant. The bomb exploded as the three policemen approached the van. It was destroyed and the blast was felt two miles away.

A plant manager said that no threats had ever been made to damage the plant. Work on cruise missiles was only a small part of its business.

The plant was the scene of anti-nuclear protests this summer, and last year 21 demonstrators were arrested and charged with trespassing. The trial was interrupted, after Litton employees appealed against giving evidence on cruise missile work.

Mr Tom Joyce, a spokesman for the Cruise Missile Conversion Group, which wants to halt production of guidance systems at the plant, said his group would never be involved in a bomb explosion: "We abhor this and any similar acts of violence," he said.

Chirac hits back at Press in funds row

BY DAVID WHITE IN PARIS

M JACQUES CHIRAC, mayor of Paris and leader of the neo-Gaullist RPR party, has taken the offensive against what he called "an 'orchestrated and organised campaign'" against him.

In a dramatic reply to newspaper allegations about the use of municipal funds and about the funding of his unsuccessful bid for the Presidency last year, M Chirac challenged the Government to deny the existence of a "special political section" in the internal intelligence service.

"If this is not done, or if this organisation is not disbanded, the only conclusion will be that the Socialist-Communist Government has installed a political police force, he said earlier this week.

M Gaston Defferred, the Interior Minister, accused the RPR leader of trying to create a digression. He said intelligence operations had always included gathering information about "the political, economic and social situation."

The special unit referred to by the mayor is believed to be the so-called "Reserved Inquiry Group" set up in 1971.

The row has blown up as the Socialist Party is preparing its challenge for next year's local election battle in Paris. It follows a quarrel about plans for less centralised administration of France's main towns.

Town hall officials have denied allegations, published by the left-wing paper Liberation this week, that about FFr 7m (£60,000) was paid out of municipal funds to a series of mysterious companies for dud "studies" relating to renovation projects.

The Paris fraud squad has been asked to carry out a preliminary investigation, despite official denials of the claim.

A document published by the satirical weekly Le Canard Enchaine, concerning an alleged funding operation by the state-controlled Elf-Aquitaine oil company in support of M Chirac's presidential campaign, has meanwhile been rejected as fake by all the main parties concerned.

Socialists look for clear win in Spanish polls

By Robert Graham in Madrid

SPAIN'S Socialist Party remains convinced it can obtain an absolute majority in the 350-seat parliament when voters go to the polls on October 28.

However, there has been no noticeable drop in the high level of undecided voters—at present almost 40 per cent.

The Socialists' confidence is based on a series of private polls. Sr Alfonso Guerra, the party's main organiser and number two, said this week that on present form the socialists could win 228 seats, compared with their 122 in the outgoing parliament.

In the first ten days of the campaign, Felipe Gonzalez, the Socialists' leader, has consistently attracted the largest crowds in an exhausting programme of meetings in all the large cities of Spain.

Sr Gonzalez's main platform is a change in the moral tone of Government, and an extension of the scope of democracy. The main issue between the competing parties centres around Spain's 16 per cent unemployment rate.

Despite the Socialists' confidence, there is evidence that Alianza Popular, the right-wing party of former Franco minister Sr Manuel Fraga, is continuing to make ground. And, Sr Adolfo Suarez, the former premier who heads the newly-formed centrist party, CDS, is making on impact.

The high number of undecided voters reflects the difficulties in choosing between the three parties in the centre and on the right. Any significant drop in the number of "don't knows" is liable to benefit them at the expense of the Socialists.

Yugoslavian austerity package

By Aleksandar Lebl in Belgrade

YUGOSLAVIA has announced a package of economic austerity measures, including higher electricity charges, cash deposits for Yugoslavs travelling abroad, and rationing of petrol to 40 litres a month for each car owner.

The aim is to reduce the outflow of scarce hard currency and to avoid having to ask Western banks for a delay on debt repayments. The country's foreign debt exceeds $18bn and this year it owes $5.3bn in interest charges and principal repayments.

Matra poised for joint venture with U.S. company

BY DAVID MARSH IN PARIS

THE FRENCH GOVERNMENT has taken another step towards co-operation with U.S. companies in its ambitious plan to develop the country's electronics industry.

The state-owned Matra group and the U.S. semiconductor company GCA are to build jointly a factory on the west coast of France to make machines to produce integrated circuits.

The plan, announced by M Pierre Mauroy, the Prime Minister, underlines French reliance on U.S. technology to build up its electronics sector.

It coincides with news that the nationalised Thomson group—chosen along with Matra to be one of the two French "poles" in the electronics components industry—has decided to pull out of its activities in making the highly specialised equipment for fabricating integrated circuits.

According to press reports, which the company declined officially to confirm, Thomson will close down this section of its Cameca electronics subsidiary.

French industrial output continues to drop

BY DAVID MARSH IN PARIS

INDUSTRIAL production in France is still tropping in line with a continued fall in demand both at home and abroad, according to the latest—extremely gloomy—report on the economy from the Bank of France.

Companies surveyed last month were holding back from carrying out the normal autumn stock-building in order to reduce costs, it says.

Industrialists are still very cautious about prospects when the price an wage freeze expires at the end of this month.

This, together with fears about a fresh deterioration in their financial positions, is causing companies to limit investment, producing a fresh fall in orders for capital goods.

On the export front, foreign demand, already weak in recent months, slid further in September. The improvement in French competitiveness resulting from the franc's devaluation in June has not yet had any significant effect in boosting exports. This is particularly because of the weakness of economic activity in France's main trading partners, led by West Germany, the Bank says.

The continued sluggishness of the economy explains why the French authorities are attaching ever more importance to bringing down interest rates.

But the delicate health of the franc on the foreign exchange markets is a major impediment to this goal.

Since the recent round of Scandinavian devaluations, the Bank of France has been intervening heavily over the last week to keep the franc from dropping below FFr 2.83 to the D-Mark, according to dealers.

As an indication of the upward pressures on French interest rates emanating from the exchange markets, Euro-French franc interest rates have been edging upwards lately, with the six month rate now quoted at 19 per cent. One dealer said the Bank may have sold as much as DM 1bn to support the franc since Friday last week, while another said the amount has been much less.

● French civil service unions have rejected for the second time the Government's pay proposals for the period following the wage-and-price freeze.

A second session of talks failed to produce agreement yesterday, despite the Government's offer of an additional 1.5 per cent rise at the very end of the year.

This would be on top of a November 1 rise of 3 per cent and would bring the total increase for the year to 7.6 per cent.

Australian budget 'rigged' claims Opposition leader

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE LEADER of the Australian Labor Party Opposition, Mr Bill Hayden, yesterday described the Government of Prime Minister Malcolm Fraser as "the most scandal-ridden government in our history."

The attack—vicious even by Australian standards—followed disclosures in Canberra that the federal budget, introduced in August, was already seriously off course.

On some estimates, the budget deficit for 1982-83 may swell to twice the A$1.67bn (£923m) forecast in August.

In Parliament this week, the Federal Treasurer, Mr John Howard, admitted that unemployment benefits this year could cost A$300m more than anticipated. In addition, the post-budget cost of drought aid is put at around A$350m, and the shortfall in company tax revenues, caused by the recession, as well as problems caused by delays in implementing retrospective tax legislation, are expected to compound the budget burden.

The Government, already troubled by continuing revelations out on tax-avoidance fronts, and by mounting disquiet over rising unemployment, is now hard-pressed to explain the electioneering aspects of August's budget.

Mr Bob Hawke, the Opposition spokesman on industrial relations, claimed in Canberra on Thursday that the budget of August 17, which contained numerous tax concessions, "was rigged for an upcoming election"—a claim supported by the Australian Democrats.

IMF Mexican loan hitch

BY WILLIAM CHISLET IN NEW YORK

THE International Monetary Fund's mission in Mexico yesterday returned to Washington for consultation amid speculation that negotiations over a $4.5bn (£2.63bn) loan to help the country over its $80bn debt crisis are not progressing smoothly.

Monetary officials in Washington said the mission had to consult with the IMF management over various matters. Mexico's long-awaited letter of intent, which would unblock the urgently needed $1.2bn bridge financing from Western central banks, was not yet ready, said the officials.

Only one third of the $1.85bn central banks loan has been dispersed, because central bankers last month made the drawing of the remaining $1.2bn conditional on Mexico making real progress with the IMF.

U.S. banking and government sources said they believe Mexico was deliberately dragging out the discussions in an attempt to win greater concessions from the IMF.

The delay in an IMF agreement is causing acute concern to the international banking community which agreed in August to declare a 90 day moratorium on principal repayments on Mexico's public sector debt.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Poles mourn shot steelworker

BY CHRISTOPHER BOBINSKI IN WARSAW

TENSION remained high yesterday in the Krakow suburb of Nowa Huta, dominated by the giant steelworks employing 36,000 people, following two days of street clashes.

Several hundred people gathered at the place where Mr Bogdan Wlosik, a 20-year-old steelworker, was shot on Wednesday by a plain-clothes policeman. According to official accounts he was shooting in self defence.

Meanwhile, in a major interview with the Polish News Agency Mr Mieczyslaw Rakowski, the Deputy Premier responsible for the decision to ban all of Poland's unions and start again, has denied that there is a general wave of protest in the country.

He also lashed out at President Reagan and other Western politicians for their stance on Solidarity, whose dissolution triggered the present protests.

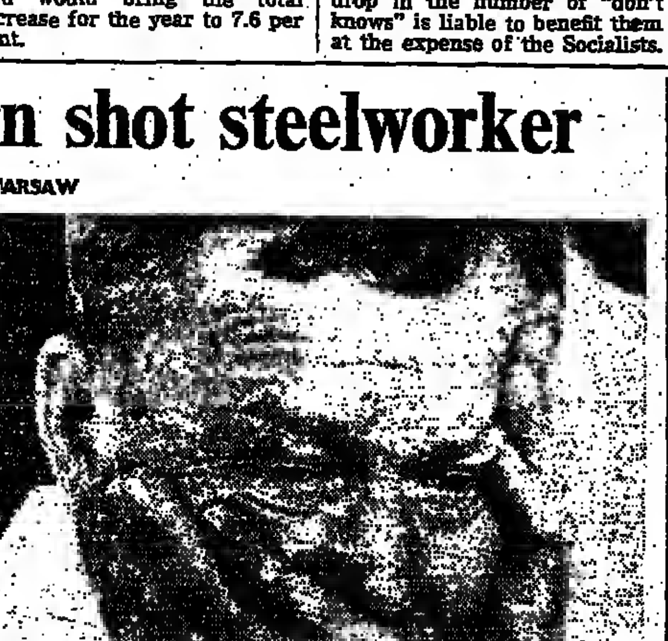
Mr Rakowski accused Mr Reagan of a "desperate and hysterical" response to the Solidarity ban.

On Thursday evening fierce street clashes between union supporters and riot police went on into the late evening after a memorial service for Mr Wlosek.

Thursday's clashes were on a smaller scale than on the previous day when police moved in to disperse a crowd of some 3,000 towns people protesting at the banning of Solidarity.

In Warsaw there was no sign that the call by the Solidarity local leadership for strikes in the area has been taken up so far.

But local activists have called for an "absentee" stoppage at the city's steelworks on Monday.



Mieczyslaw Rakowski: No "wave of protest."

Shell raises petrol price by 2.3p a gallon

SHELL, one of the two biggest petrol companies in Britain, raised its pump prices by 2.3p a gallon last night.

The move is part of a concerted effort by the main petrol companies to force up prices at the pumps and so restore their profitability. The rise last night, achieved by a withdrawal of support to retailers, takes Shell's average pump price to between 175p and 176p a gallon. These charges will put Shell's prices in line with those of Esso — the other market leader which increased its prices on Thursday.

Prices at Shell and Esso garages are expected to be lower than those at Mobil ones because Mobil is set to put up its prices by 4p to 5p a gallon, to 177.8p, from tomorrow.

BP Oil is likely to follow its competitors and increase its pump prices next week, although it said this week that it would not make a decision before the weekend.

All the petrol companies want to see pump prices at between 178p and 180p a gallon.

Hedderwick payment

PAYMENT of all outstanding debts of the failed firm of stockbrokers Hedderwick Stirling Grumbar has been secured by Mr Martin Fidler, the official assignee of the London Stock Exchange, who was appointed liquidator of Hedderwick. The 22 partners of the firm met the final 20p in the pound owed, partly out of their own resources. Creditors had received 80p in the pound, and the partners have arranged bank loans to cover the outstanding deficit.

Steel output up

STEEL production averaged 229,900 tonnes a week last month, an 8.2 per cent rise on that of August, according to figures from public and private steel-makers. Production last month was down by 22.5 per cent from that of September last year. An average of 281,050 tonnes a week was produced in the first nine months of the year, compared with 283,300 tonnes last year.

Belvoir coal move

PROPOSALS FOR a £300m coal-mining development at Asfordby, Leicestershire have been given the go-ahead by the county council's planning committee. Proposals for the Asfordby pit—part of the National Coal Board's controversial £1bn project in the Vale of Belvoir—will now have to go before the environment committee, and then to the full county council, for approval.

Anglia to merge

MEMBERS OF the Anglia, and the London and South of England, building societies have voted in favour of a merger of the societies.

Growth in Fife

GENERAL INSTRUMENTS, a microelectronics company which started in Scotland in 1968 with six workers, yesterday opened a £10m extension which will allow it to double its work-force to almost 800. Mr George Younger, the Scottish Secretary, opened the building at Glenrothes, Fife. It is the first phase of a £50m expansion programme.

Expansion in Wales

HUNTLEIGH GROUP is to expand its Cardiff subsidiary, Hymatic Industrial Controls, to increase the development and production of electronic proximity switches and load cells and to provide space for ultra-sonic diagnostic equipment. The company has taken over a 10,000 sq ft Welsh Development Agency factory on the Portmanmoor Road Industrial estate, Cardiff.

Mark Meredith describes a bitter-sweet celebration—with little new business in prospect

Scotland's five big fabrication yards prepare for a hungry year

COMPLETION of work on a big offshore project was celebrated by Ayrshire Marine Construction yesterday—but it was the last order on its books.

The lack of contracts made the toasts a bitter-sweet occasion for the company which, along with four other larger Scottish fabrication yards, is entering what is likely to be a lean year.

The occasion yesterday marked the end of work on a 40,000-tonne gravity base for Phillips Petroleum's Maureen field.

The £200m structure resembles three giant pods. They will form the anchor for the platform on the seabed, the first offshore construction in the world to combine ballast and oil storage vessels in this way.

On Monday, tugs will begin to tow the structure to be mated with the deck at Kishorne, a 320-mile voyage further north.

The platform, with its gravity base, is due to be floated out to the oilfield next summer.

Outside the marquee set up for yesterday's completion celebrations, there was little sign of activity. Ayrshire Marine has reduced its workforce from 1,000 to several hundred.

The yard will be left in the hands of about 50 men shortly, while its operators, CBI Constructors, part of Chicago Bridge Iron Company, look for orders.

Fearing possible closure of the yard at Hunterston, three local MPs, Conservative, Labour and Social Democrat, have petitioned the Scottish Office to ensure Ayrshire Marine's survival.

Scotland's larger fabrication yards face a bleak year, with many orders tapering off near the end of the summer. They employ about 7,000 men.

But the knock-on effect of a slackening in North Sea orders is thought to reach something like 100,000 jobs downstream from the big steel fabrication yards.

Hopes have been raised by the prospects of the French Total Elf-Aquitaine developing the North Alwyn field, east of the Shetlands.

Total said this week it could start placing orders in six months' time, creating eventually over 3,500 jobs—most of them in the UK.

As autumn of next year approaches, many yards will have to run down their large workforces of skilled welders and fitters.

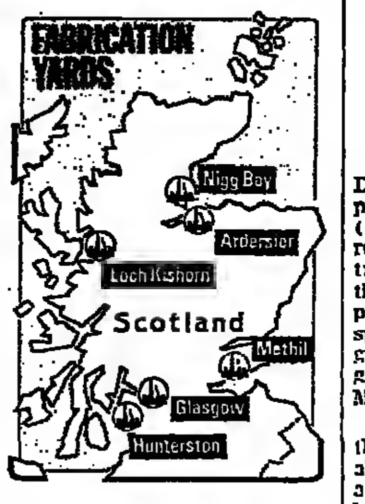
Alongside Ayrshire Marine, these are the big construction sites:

● The Kishon yard is run by Howard Doris, with an average workforce of 2,000. It is completing work on the deck for the Phillips Maureen project, as well as another jacket—or legs—for British Gas due for delivery in June.

● Highland Fabricators, with a workforce of about 2,000, is at Nigg, on the Cromarty Firth. Here work continues on the hull of the revolutionary tension leg platform for Conoco's Hutton field. This and other work is due for completion by the end of next summer.

● McDermotts at Ardersier, east of Inverness on the Moray Firth, has work underway on the deck of the tension leg platform, as well as fabrication work for British Gas, due for delivery during the year.

● A smaller yard, that seems to buck the trend is also providing one of the few comforts available for British Steel. It is RGC at Methil, in Fife, 91 per cent owned by British Steel. With about 600 workers, it has orders for five fabrication projects, including work for Britoil Beatrice B development and the Morcambe field.



Thatcher will seek to curb public underspending on capital projects

BY ANDREW TAYLOR

THE PRIME MINISTER is to investigate ways to stem underspending on capital projects by nationalised industries and authorities in a bid to boost the construction industry.

Mrs Thatcher had an hour-long meeting yesterday with construction industry leaders who told her that the industry remained deeply in recession and there was no sign of recovery.

The Group of Eight, a broadly-based construction lobby representing contractors, building material producers, trades unions, chartered surveyors and architects said construction output had fallen by 18 per cent between the second quarter of 1979 and the second quarter of 1982. Unemployment in construction-related industries was 450,000.

The Government and the construction industry are concerned at the high level of underspending by public bodies on capital items.

Mrs Thatcher said that in 1981-82 local authorities had underspent on their total housing budget (including capital receipts from council house and land sales) by £430m; water authorities had underspent by £70m and nationalised industries had underspent their capital provision by £765m.

Mrs Thatcher told the Group of Eight: "The allocation is there; I want it used. But you cannot spend money twice over."

According to the construction lobby group, a major factor behind the underspending is the inflexibility of the Government's budgetary system which places annual cash spending limits on public authorities.

"The problem is that public bodies do not know until a few months before the beginning of each financial year how much they will have to spend. It makes it very difficult to plan ahead for major expenditure projects which may take several years to complete," said Mr Roy Swanston, president of the Quantity Surveyors division of the Royal Institution of Chartered Surveyors.

Mr Les Wood, general secretary of the Union of Construction Allied Trades and Technicians said the Prime Minister had failed to acknowledge that the industry could assist in the economic revival of Britain.

"There are 450,000 unemployed in the construction industry anxious to rebuild Britain, and one woman preventing them," said Mr Wood.

Mr Owen Luder, chairman of the Group of Eight and president of the Royal Institute of British Architects, said the meeting had not been a waste of time. He said discussions had been "vigorous and animated."

Health bodies told to plan for no growth

BY ROBIN REEVES

WELSH health authorities were told at a meeting with Mr Nicholas Edwards, the Welsh Secretary, yesterday to work out their priorities on the assumption that there would be no growth in health service resources over the next six years.

Mr Edwards later called a press conference to stress that no firm decisions on future funding had yet been taken. The health authorities were merely being asked to prepare a "worst option scenario" which could be changed in the light of Cabinet discussions, the overall Welsh budget allocation, or the authorities' written comments on the Welsh Office consultative documents.

This shows that, given nil growth, health authority revenue budgets will have to be cut by £57m over the next six years. But Mr Edwards denied that the document had any connection with the recent Cabinet office Think Tank report on the future of the Health Service, or that job losses in health authorities were inevitable.

● National Health Service spending on drugs for the treatment of coronary heart disease is at least £215m a year, according to a report by Professor Walter Elkan of Brunel University published in the October issue of Lloyds Bank Review.

The report says the spending could be reduced if the British heart disease rate fell to U.S. levels and calls for greater resources to be put into preventative action such as education and checking patients' blood pressures when they visit their doctors.

Land speed record bid resumed

By John Griffiths

THE BRITISH Project Thrust team has resumed its attempt to recapture the world land speed record at a site 500 miles west of the flooded Bonneville Salt Flats in the Black Rock Desert of Nevada.

Test runs up to 320 mph have been made on a 120-sq mile dried lake bed of this remote area, 100 miles north of the gambling city of Reno.

Richard Noble, driver of the 34,000 hp Thrust II jet car, reports that the car handles well on the caked mud surface, which he describes as "a vast improvement over Bonneville."

Nearly 200 UK companies have invested £1.25m in the project. There were fears that the attempt would have to be abandoned for the second year in succession after freak rains again flooded the Bonneville track.

Flooding caused a state of emergency to be declared in Utah. The flats were flooded so deeply that Thrust II's designer John Ackroyd was able to swim on them.

The team found an alternative site and camped in the small town of Gerlach, beside the desert. Tracks running for 12 miles have been laid.

Noble expects a first timed run at 400 mph in the next few hours. Speeds will then increase in stages with intent to break the 622.407mph record now held by Californian Gary Gabelich.

Black Rock is "the best land speed record site in terms of size, smoothness and consistency I have seen," said Ken Norris, the team manager, who was joint designer of Donald Campbell's Bluebird.

BA and Air France cut costs of winter flights

BY OUR AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and Air France are to cut the cost of flying from London to French provincial destinations this winter by up to 15 per cent.

From November 1, the British Airways Special Excursion Return rates and the Air France Vacances fares will both be reduced.

The new rate to Nice will be £130 return, to Marseilles £120, to Lyons £100, to Bordeaux or Toulouse £105, to Ajaccio or Bastia (Corsica) £152, to Nantes £80, and to Strasbourg £93.

Passengers will have to pay for their tickets on booking and spend one Saturday night at their destination.

The cuts are to stimulate travel in winter when business is slack.

● Britannia Airways, the UK holiday airline, is applying to the Civil Aviation Authority to fly its first scheduled passenger services between the UK and overseas holiday destinations. The airline has asked for rights to Palma (Majorca), Alicante (Spain) and Faro (Portugal), from Glasgow, Manchester and Gatwick.

● British Airways and Penta Hotels, one-third of which is owned by the airline, have sold their shares in the London Penta Hotel to Grand Metropolitan Hotels for £10.4m. Two-thirds of the proceeds go to Penta Hotels; British Airways receives about £3m.

The decision to sell was taken by BA and Penta Hotels because the London Penta, which is opposite the former West London Air Terminal in Cromwell Road, South Kensington, was no longer compatible with the group's operating policy, and to release funds for other projects.

● British Caledonian Airways has appointed Abbott, Mead, Vickers of London as its advertising agents for the UK and Europe in place of Saatchi Saatchi Garland Compton. The agency will be responsible for billings of over £2.5m in the next year.

'Threat' of milk imports

BY RICHARD MOONEY

PUBLIC CONCERN over the prospect of continental milk being allowed into Britain and the threat this could pose to the doorstep delivery system was expressed yesterday when an 800,000-signature petition calling for continued import protection was handed in at the Ministry of Agriculture.

Britain excludes continental milk on hygiene grounds. It insists that all milk sold in the UK must come from dairies licensed by British local authorities. It claims the ultra-heat treatment method used elsewhere in Europe is less effective than pasteurisation.

But the Common Market Commission disagrees describing the British restrictions to modify its hygiene law, the Commission has instituted action in the European Court, which will be heard on November 10.

The dairy industry fears that if the court rules against the UK, cheap supermarket sales would take a sufficient share of the market to destroy the viability of the doorstep delivery system.

The petition was presented by the Co-operation Union, which employs 10,000 milkmen

BAe pushes ahead with plans for jet fighter

By Michael Donne, Aerospace Correspondent

DETAILED design work on the proposed Agile Combat Aircraft (ACA), which is intended to replace the Jaguar jet strike/trainer in RAF service towards the end of this decade, is being pushed ahead by British Aerospace. Presentations on progress so far are expected to be given to the RAF and the Ministry of Defence soon.

The ACA, which evolved in the summer from the original all-British P.110 concept for an advanced tactical fighter for the late 1980s, is being developed as a private-finance venture in conjunction with Messerschmitt-Bolkow-Blohm of West Germany and Aeritalia of Italy.

The UK Government, however, has also pledged about £50m over the next few years to a research programme designed to help the development of the aircraft.

Talks are in progress with the air staffs and the governments of West Germany and Italy to stimulate further financial support. The aim to develop a tripartite tactical combat aircraft which will meet the needs of all three countries by 1990.

In addition to the cash being injected by the Government, several major companies in the UK aerospace industry, as well as British Aerospace, are subscribing to the venture, nearly £30m has been spent so far.

The other companies include Rolls-Royce, Dowty, Ferranti, Lucas, Marconi Avionics and Smiths Industries.

The ACA is intended to be a single-seat twin-engined supersonic fighter which will replace not only RAF Jaguars, but also Phantoms in the West German Luftwaffe and Lockheed F-104s in the Italian air force.

The aircraft would also generate export sales. It is estimated that a demand for as many as 8,000 to 9,000 light tactical combat aircraft will emerge as existing fighters become outdated by advances in technology.

Detailed discussions have recently been taking place to establish the areas into which the Government should put its cash.

The possibilities include the development of new composite materials, electronic ("fly-by-wire") flying controls, and television screen displays in cockpits, as well as work on development of a new version of the Rolls-Royce (Turbo-Union) RB-199 engine for the aircraft.

It could be several months, or even a year, before a final design emerges satisfying all the air forces and governments.

Talking computer with a mind of its own 'will be ready by 1992'

BY LYNTON McLAIN

A JAPANESE computer-based "information network system," which will be ready in 10 years, will be able to have "dialogues" with human beings, Dr Yasusada Kitahara, executive vice-president of Nippon Telegraph and Telephone Corporation, said yesterday.

These "intelligent" computers for the information network system, INS, will have a processing capability more than 1,000 times greater than NT's latest computer. They will be better at pattern recognition, voice synthesis, natural language processing and intelligent processing, Dr Yasusada told leaders of the telecommunications industry.

INS is a concept to unify different types of advanced telecommunications and information technology into a single network.

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The aim was to provide "multifaceted services at less cost, with more convenience and more variety," he said.

One benefit of the adoption of INS worldwide would be a new tariff system based on the total "bits" of information transmitted. This would eliminate the inconsistencies that existed in many countries where the tariff structure was not based on the amount of information transmitted, he told delegates at the Financial Times World Telecommunications conference at the Grosvenor House Hotel.

A world-wide INS network would allow people "equally to transmit and receive all transmittable information on earth, regardless of time or distance and to transmit this information anywhere and at any time."

A "bit"-based tariff system had to be introduced to develop a worldwide INS network. This could be done by using digital techniques which would about halve switching and transmission equipment costs.

Digital techniques would allow the amount of all information processed to be indicated in "bits" of information which could form the basis for the common bit-based tariff system.

New technology had to be introduced, including optical fibre communications "with significant cost reductions."

Large-capacity satellite communications was the third technology needed for an integrated INS network. These would be a "major force in eliminating tariff differentials caused by distance."

An experimental INS system has been started in Japan and will run until 1986. The impact of the technology on society and on local culture is being studied by NTT in the Musashino and Mitaka suburbs of Tokyo.

The model INS system will serve 10,000 telephone subscribers, providing digital terminal equipment such as digital telephones, digital facsimile, digital graphics devices and a videotex system.

Each single subscribed telephone line will simultaneously have two channels for transmitting information to the home or office and one channel to enable the subscriber to signal out instructions. Telephones, facsimile, data, still pictures and other terminal equipment can all be connected to a single subscriber line.

A telephone call can be made at the same time as a document is being sent by facsimile machine.

Dr Yasusada talked of the social problems which could be created by the "advanced information society and the expansion of the information network system." These included the infringement of privacy, an increase in computer crimes and the vast concentration of information linked with power or authority. People may become more alienated because of less "one-to-one" contact.

Counter measures would be needed to balance these "weaknesses in society created by the information society, and careful assessment of these issues must continue.

"It is always possible for a new technology to provide the means for a new vice," Dr Yasusada said.

Mr Peter Hickman, managing director of the Space and Communications Division of British Aerospace Dynamics group, referred to the "saturation of the capacity of the Intelsat V satellites by 1986." This would create a rapidly rising demand for telephone, data and television distribution via space to the end of the century and beyond.

The growth to date had been more than 15 per cent higher than forecast and "it would not be surprising" if Intelsat V saturation occurred before 1986.

Dr Franz Arnold, head of telecommunications services at the Federal Ministry of Posts and Telecommunications, Bonn, told delegates that "in the long run we will get a European telecommunications market with competition between national companies for specific services."

Northfield's front doors don't open wide anymore

Peter Riddell goes canvassing with Labour's by-election candidate

PITCLOSE ROAD in the Birmingham suburb of Northfield is part of Labour's traditional heartland. It should be again at the by-election on October 28—though only with major reservations in several cases, to judge by responses to Mr John Spellar, the Labour candidate, during two hours' canvassing one morning earlier this week.

Labour's problems have been underlined by an opinion poll showing the Conservatives with an early lead.

Pitclose Road consists of drab semi-detached houses built by the local council in the decade after the last war. It is the home of the skilled working class. Many work, or worked, in the nearby BL Longbridge plant and there is a larger proportion of BL cars on the road than you would see almost anywhere else in Britain.

The street is typical of many in the constituency; though, because of the age of the houses, most of the residents are middle-aged rather than newly-married. Some houses have been sold to their occupiers. The main differentation is in the selection of fancy new front doors, and, occasionally, window frames.

In the past this would have been rock-solid Labour territory. The area was Labour throughout the affluent 1950s and was won by the late Mr Jocelyn Cadbury for the Conservatives at the 1979 election, by a majority of 204 on a high 12.2 per cent swing from Labour thanks to the dissatisfaction of car workers, the allure of tax cuts and the local standing of the Cadbury family.

In Pitclose Road there's certainly no affection for Mrs Thatcher. Several households have someone either unemployed or on short-time working.

It is a sign of the times that the parties think it worth canvassing in the morning. Many women no longer have part-time jobs and several men are also now at home.

The bulk of those answering the door was pro-Labour — apparently by habit, instinct and class identification. Yet a significant minority had doubts.

A typical reply from one man in his late fifties tending his vegetable garden was: "I've always been Labour, but I don't like what is happening to the party. Why don't you do something about Benn and Foot?" Mr Tony Benn, along with Mr Arthur Scargill, are clearly unpopular and Mr Michael Foot cannot apparently differentiate himself from them in the minds of some voters. His past image rather than his present role seems to linger on.

One woman in her fifties with a Welsh accent surprised a canvasser and fulfilled the dreams of political analysts when she said that she had doubts about the "left." She supported the Labour Party of Attlee and Bevin and was worried about what was happening now.

Mr Spellar's response is to emphasise his self-proclaimed "moderate" credentials. His introductory leaflet is a classic of traditional right-wing Labour politics with personal testaments from "friends" such as Mr Denis Healey, Mr Frank Chapple of the electricians' union (for whom Mr Spellar works), from Mr Terry Duffy of the engineers, from Mr Denis Howell, from Mr Clive Wilkinson, the leader of Birmingham's Labour group, and from Mr Roy Hattersley. One SDP leader commented that Mr Spellar was being supported by all the people who should have left Labour.

Yet Mr Spellar does not have a smooth passage in putting himself across as the voice of the traditional Labour Party and the enemy of the "left." Some people said that it was all very well for him to say that he was a "moderate" but what could be do on his own about the leftward drift of the party as a whole. Some said: "A plague on all your houses."

Mr Spellar believes that these people will vote Labour in the end, though I suspect some could abstain. There were no signs of any enthusiasm for the Alliance. Only two people out of 60 mentioned either the SDP or the Liberals; but Mr Spellar was not exactly seeking such information and the answers could be different among younger people.

Two hours' canvassing is, of course, no guide to the result. But the evidence is that while many middle-aged skilled workers still identify with Labour, their support is more questioning than in the past because of the party's divisions and recent shifts.

Safety 'guide' aimed at easing pay loss in miners' overtime ban

BY JOHN LLOYD, LABOUR EDITOR

THE MINEWORKERS' overtime ban faces its biggest test this weekend, amid signs that its worst effects on pay packets will be avoided by union "guidelines" which allows for some safety work.

Mineworkers at Linby, Nottinghamshire, struck yesterday in protest over losing bonus payments as a result of the ban.

At the same time, the executive council of the National Union of Mineworkers' white-collar section, the Colliery Staffs' Association (Cosa), has voted to ignore the guidelines and to continue with strict observation of the ban. This will mean non-payment or only partial payment for early and late shifts and a growing backlog of pay information to be computerised.

Mr Trevor Bell, the Cosa general secretary, said afterwards that the executive was angered that its generally strict observation of the ban was being flouted by other areas.

The Cosa executive, meeting in Chesterfield yesterday, also "deplored" the linking of pay with pit closures on the ballot form on which mineworkers will vote on October 28 and 29. It said the linkage would not allow members to make an "unambiguous decision" on pay.

However, the Cosa executive urged its members to support the NUM's executive, and to reject the pay offer.

The Linby mineworkers claimed that the pit management failed to make proper arrangements for coping with the overtime ban, which resulted in coal not being wound (or raised) and thus a loss of bonus. Officials of the Nottinghamshire area NUM and National Coal Board area officials were last night attempting to reach a compromise on the issue.

The Nottinghamshire NCB area said last night: "The ban has been imposed by their own union and we warned the miners some time ago that they would lose money."

The guidelines, prepared by NUM officials in advance of the national executive meeting on Thursday will allow work to be done on safety measures during overtime, and provide for shift patterns to be restructured to ensure that miners lose as few shifts as possible.

Miners' leaders hope that the guidelines, which in effect allow pits to provide emergency cover on overtime by local arrangement, will keep the semblance of a ban going over the weekend, when most overtime is worked.

The campaign of rallies up and down the country, spearheaded by Mr Arthur Scargill, the NUM president and Mr Mick McGahey, vice-president, begins with a mass meeting in the South Wales mining centre of Aberavon on Monday night.

Vauxhall may produce trucks for Isuzu

By Kenneth Gooding, Motor Industry Correspondent

ISUZU MOTORS said yesterday that its KB one-tonne pick-up trucks would be produced in Britain by Vauxhall.

The announcement by the Japanese company was timed to coincide with the latest round of meetings this weekend between representatives of the Japanese and British motor industries.

However, Vauxhall denied that it had reached an agreement with Isuzu. The possibility was being explored, but it was "very early days."

Both Vauxhall and Isuzu are linked with General Motors of the U.S. Vauxhall is a wholly owned subsidiary and Isuzu is 34.2 per cent owned.

Vauxhall has been importing the KB pick-up in built-up form and selling it in Europe with a Bedford badge since 1980. Last year 1,640 were registered in Britain.

A Vauxhall official said the initial volume had failed to justify UK assembly. Any British production would depend on Vauxhall being able to obtain an acceptable level of local content — "at least 60 per cent."

Vauxhall said 11,300 KB pick-ups had been imported to Europe since the introduction in mid-1980, of which 8,100 were sold on the Continent.

Meanwhile the talks this week-end between the Japanese Automobile Manufacturers Association and the UK Society of Motor Manufacturers and Traders will take place in a calmer atmosphere than for some years.

There have been cross words in the past about the Japanese penetration of the car market going above 11 per cent and, more recently, about the jump in sales of Japanese-made light commercial vehicles.

An official of the UK society said yesterday that the British side would re-emphasise its long-standing request for marketing restraint by the Japanese.

An important element in the discussions, to be held at Leeds Castle in Kent, is the Society's view of the market next year. Mr George Turnbull, the society's president, said recently that he expected car sales next year to be about 1.58m against 1.5m this year. He believed the sale of light commercial vehicles (below 3.5 tonnes gross) would rise from 180,000 this year to between 180,000 and 190,000 in 1983.

Package holiday rivalry heats up

BY JAMES McDONALD

COMPETITION between overseas package holiday operators is always keen but the rivalry for next summer's business between the top British three organisations—Thomson Holidays, Intasun and Horizon—promises to be bigger than ever.

As Intasun announced in London yesterday that it was the only one of the big three to guarantee no surcharge on its 1983 summer programme, Thomson dampened the celebration lunch with a statement that it also would promise no surcharge on its holidays.

Thomson went one better by outbidding Intasun in its no surcharge guarantees. The Intasun guarantee applies only to those booking before March 1 and excludes holidays to the U.S. Thomson puts no time limit on the date for bookings and the guarantee applies to all its holidays.

Tour operators keep their ears close to the ground. Horizon directors held a board meeting yesterday afternoon, and although it had published its summer programme in August with no mention of a guarantee, it was decided to match the Thomson guarantee in every particular. Both the Thomson and Horizon offers apply to bookings already booked for next summer.

The background to these moves is the state of the British foreign package tour market. Mr Sidney Perez, chief executive of Intasun, said yesterday the summer market this year had been static compared with 1981 and he estimated that the market would expand by about 5 per cent next year.

All three major operators are offering between 15 per cent and 19 per cent more holidays in their 1983 summer programmes. Thomson's programme offers nearly 900,000 holidays—a 15 per cent rise; Intasun offers 634,000 in its Intasun-Cambrian-Club 18-30 operations—a 19 per cent comparable rise; Horizon has 525,000 holidays on offer—a 16 per cent increase.

Intasun is increasing its prices next summer by an average of 6.4 per cent over this year's levels. Mr Perez claimed yesterday the majority of the holidays offered in his programme were cheaper by between £20 and £30 than the equivalents being sold by his competitors.

"Summer 1983 will be exceedingly tough for the travel industry and we are using every aggressive marketing advantage at our disposal," Mr Perez said.

Horizon, with its dominating position in the Midlands package tour market, has been a target for Thomson Holidays for some time. It will also be Intasun's target next year, said Mr Perez.

Intasun has agreed with Air Europe—a subsidiary of Intasun Leisure group—for a Boeing 737 to be based next summer at Birmingham airport, the heartland of Horizon's package tour empire. This will be combined with series charters with British Midland Airways and Aviaco.

Labour may go to law on boundary changes

By John Hunt

THERE WERE more signs yesterday of alarm in the Labour Party over the constituency changes likely to be proposed by the Boundary Commission, when it reports at the end of the year.

The party, which could lose 20 safe seats, is considering the possibility of legal action against the recommendations. Dr Edmund Marshall, Labour MP for Goole, and one of his party's whips, said yesterday that the commission had not shown complete consistency. He pointed to the wide differences in size of proposed constituencies and the "odd shapes" of others.

He predicted that, if legal action were taken, it could entail a general election being delayed for up to six months, because the Prime Minister would not be able to recommend the dissolution of parliament when she wanted.

However, these charges are being greeted with scepticism at Westminster. In the 1950s, some local authorities took legal action against the Boundary Commission, but the court ruled it was a matter "entirely unsuited for judicial intervention." The appeal court came to a similar conclusion, when one authority pursued its case.

Confidential problem over loan study

By Tim Dickson

A TRICKY technical problem for clearing banks and other financial institutions has arisen as a result of the Government's decision to survey early "failures" under the Loan Guarantee Scheme.

This week, the Department of Industry announced that Robson Rhodes, a medium-sized firm of accountants, had been appointed to carry out the study, which will look at 50 companies.

The findings are expected to help Ministers when they decide this year how to develop the current pilot scheme, under which the Government guarantees 80 per cent of the loan up to a maximum of £75,000.

Technical

The technical problems has occurred because, although customers invariably sign a form which gives the Department access to confidential information, banks are not permitted to pass on details to third parties. Although in this case, Robson Rhodes is acting as agent for the Department, lawyers seem to have taken the view that it might constitute a third party.

All concerned were keen to emphasise yesterday that this apparent obstacle was "a storm in a teacup." The Department and one bank foresaw no difficulties.

Banks seek tax relief change

BY ROBIN PAULEY

A NEW system of tax relief, similar to stock relief, is needed to compensate for the effects of inflation on the real value of net monetary assets, says the Committee of London Clearing Bankers.

The argument, contained in the committee's response to the Government's green paper on corporation tax, says the purpose of relief for the effects of inflation should be to ensure, as far as possible that the tax falls on the true profits earned.

Because of the absence of any such relief, and the absence of capital allowances on commercial buildings, the effective tax burden on banks is actually greater than on industry as a whole, the report says. Although banks can defer part of their corporation tax by leasing, they pass the benefits of so doing on to their customers.

So long as the tax system adjusts for some effects of inflation on business, but not for all of them, there will be a misallocation of resources in the economy as well as unfair discrimination against those businesses adversely affected, the committee says.

Revision of the tax system should make corporation tax a tax on real profits, and should generally be neutral between types of business. Abatement of corporation tax liabilities should be used as an economic incentive only when there were strong arguments in favour. The desirability of neutrality between the taxation of company income, and that of income accrued directly to individuals, makes it senseless to consider taxation of companies in isolation from individual taxation, the committee says.

It also urges that the Inland Revenue should consider a change to a two-rate system, with full imputation of tax on distributed profits. All physical capital assets, including commercial buildings, should qualify for depreciation allowances spread over the course of their economic lives, with the amount of the allowance revised annually to reflect inflation. Accelerated depreciation could be provided as an economic incentive, if desired.

Nuclear arms stockpile may be 2,000

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN'S stockpile of nuclear weapons is probably between 1,500 and 2,000, according to a University of Lancaster researcher who has attempted to up-date an estimate made nearly 20 years ago.

Mr Joseph Gallacher, of the Centre for the Study of Arms Control and International Security at the university, says the task of estimating the nuclear stockpile has become much more complex since the late Mr Leonard Beaton put the figure at 1,500 in 1964.

Professor Ian Bellany, director of the centre, said yesterday he believed Mr Gallacher's figure "must be about right."

Ha said that, as a Foreign Office scientist in the 1960s, he had gained the impression that Mr Beaton had over-estimated Britain's capacity for producing plutonium.

Mr Gallacher has used only published information in arriving at his estimates.

He approached the problem from three angles. One was simply a comparison of the British with the U.S. defence effort, assuming that the U.S. stockpile was in the range 25,000-50,000.

Another approach was to estimate Britain's output of fissile materials—plutonium—239 and uranium-235—and to daduct the amount of military plutonium sent to the U.S. under the barter agreement which supplied Britain with U.S. uranium fuel for its nuclear submarines.

The third approach was from the standpoint of the delivery systems Britain has available for nuclear warheads, and the size of stockpile that would be needed to arm all the present delivery systems.

Prof Bellany said that although the study was a "spin-off" from the centre's main line of research into the proliferation of nuclear weapons and the way technical secrets spread, he believed it was relevant to arms control.

It provided discussions on arms control with an up-to-date figure of the size of stockpile, from which to consider ways in which it might be reduced.

Nuclear Stocktaking: A Count of Britain's Warheads. Centre for the Study of Arms Control and International Security, University of Lancaster, Bailrig, Lancaster LA1 4YF.

Hailsham hints at retirement

By A. H. Hermann, Legal Correspondent

LORD HAILSHAM, the Lord Chancellor, hinted yesterday that be may retire from active politics at the end of the present parliament.

Addressing the annual general meeting of the Magistrates' Association at the Guild Hall be said: "I do not know whether I shall have another opportunity to address you as your president. Everyone seems to expect a general election in the autumn of next year. They may well be wrong. But again they may not; and in any event one cannot go on for ever."

Speaking about the application of the 1981 Contempt of Court Act, Lord Hailsham said its purpose was to relax the law of contempt and not to tighten it. The Act stated plainly that nothing which was not a contempt before should be made a contempt under the so-called "strict liability rule": it protected press reporting and provided for free discussion in good faith of public affairs.

GLC plans minimum pay guideline for employers

BY IAN HARGREAVES

THE GREATER London Council (GLC) is planning a target minimum wage for the capital as part of a series of moves aimed at attacking low pay.

Mr John Carr, chairman of the GLC staff committee, said be expected the minimum wage guideline to be considered by the council shortly.

The guidelines would have only advisory status. It would not be binding even on the council, he said, but would provide a useful reference for employers.

Although calculations have not been completed on the suggested minimum, Mr Carr indicated it would probably follow the formula favoured by the TUC of two thirds of average gross manual worker earnings.

At the national level, this would produce a minimum wage of £90-£95 a week. In London, the figure would ba presumably slightly higher.

A second component of the drive against low pay under consideration is the imposition of minimum wage clauses in GLC contracts.

This would fill a gap left when the Government scraps, as it plans to do, the Fair Wages Resolution, which enforces a rate for the wages paid by all contractors, whether with local or national government.

Mr Carr said the moves were intended to build on the council's success in persuading its white collar workers in July to accept a mixed flat rate and percentage pay offer designed to reduce differentials.

That agreement cost the GLC 6 per cent on its payroll costs, but produced increases of 13 per cent for the lowest paid.

The GLC employs 21,000 people, of whom 850 earn under £5,000 a year.

Shell chemical output stopped by walk-out

PRODUCTION AT Shell's 12 chemical works at Stanlow, near Ellesmere Port, Cheshire, stopped yesterday for the second successive day after 350 process operators walked out.

The dispute, which started at the giant phenol chemical plant, is over a reduction of staffing levels. Shell said yesterday that the Transport and General Workers Union had been warned about the reduction.

"The phenol plant was run successfully for three months on a reduced number of operators," Shell said.

Apex sets out to recruit computer staff

By Our Labour Staff

THE Association of Professional, Executive, Clerical and Computer Staff, having recently recruited 1,000 Rugby League players, is turning to workers in computer-hardware and -software manufacturing in its drive to make up for membership losses in traditional areas.

A separate section, called Computec, has been established to cater for the special needs of a group notoriously difficult to recruit into unions. Some companies deliberately keep unions out and some staff feel that the demand for their skills means they do not need a union.

Unionists sets an electoral puzzle

Brendan Keenan on the perplexing choice that will face Ulster voters at next week's assembly elections

MR WILLIAM CRAIG, one-time Northern Ireland Minister for Home Affairs, and musterer of marching men in the Vanguard movement of the early 1970s, yesterday threw some radical proposals into the already confusing mix of Unionist policies which will be before the Ulster voters in the assembly elections next Wednesday.

Mr Craig is now a somewhat isolated figure, but claims there is support for his ideas among sections of the Official Unionist Party.

He is prepared to see a new relationship between Northern Ireland, the rest of the UK and the Irish Republic, but only in the context of a "proper parliament and government" in Belfast. However, be also holds out the tantalising prospect of a voluntary coalition with the main nationalist party, the Social Democratic and Labour Party.

These ideas will be put to a Unionist electorate which phone-ins and canvassers suggest is already perplexed.

Teh plan formulated by Mr James Prior, Northern Ireland Secretary, for an elected, advisory assembly, which might become a devolved administration with sufficient cross-community a greement, has produced some expected reactions in the Unionist camp.

The Rev Ian Paisley, destroyer of Unionist governments for more than a decade, says he is determined to make tha assembly work—although not necessarily on Mr Prior's terms—and accuses the Official Unionists of being the wreckers.

The OUP leader, Mr James Molyneaux, denies this, but he canoot conceal his belief that the assembly will not work and that any transfer of powers would be on terms which Unionists would find unacceptable.

He in turn is under fire from elements in his own party who believe, like Mr Paisley, that the assembly may be the last chance in a generation for the return of legislation to Northern Ireland.

Mr Molyneaux's manifesto seems not entirely of his own making and speaks of making the assembly proposals acceptable to Unionists. Yet the party's South Down MP, Mr Enoch Powell, describes those who want to work the assembly as rogues and those who vote for them as fools.

There is alse the sudden rise to prominence of Belfast barrister Mr Robert McCartney, who has been conducting a running battle with Mr Paisley in the letter columns of the Belfast Telegraph. He balieves the only hope is for Unionism to rid itself of its associations with religious bigotry and become a liberal, pluralist movement.

Officials in the Northern Ireland Office are probably as puzzled as the voters by the eddies of Unionist debate, but they take some comfort from the situation. It does seem that a majority of Unionist assembly men will take part in the advisory committees which comprise stage one of the Prior plan.

This may not be achieved without further divisions in the OUP but the Alliance Party, which hopes to win eight of the 78 seats, will also work the committee system.

Alliance, which its general secretary describes as "for the union, but not Unionists," believes there is no such thing as a solution to the Ulster problem. It sees the assembly providing as good a method as any of achieving the necessary accommodation between the communities.

Ministers will keep the committees busy and help them to look effective, but beyond this all becomes lost in a haze of speculation and possibility.

The SDLP is not taking part and the kind of all-Ireland arrangements which might lure them in would provoke a Unionist boycott. The Unionists, on the other hand, will have no powers transferred unless they can come to terms with the SDLP.

There are fears that the resulting impasse could provoke constitutional confrontation between Unionists and Westminster.

Rev Ian Paisley: destroyer of unionist governments

The only possibility of success lies in the hope that the voters, when they see their politicians doing some useful work, might pressure them into making concessions to enable the process to continue.

It is not much to go on and there are signs that the electorate finds the whole concept difficult to take seriously. The best that can be said is that Mr Prior's battered plan, while it may not have broken the mould of Unionist politics, has already pushed it into some surprising shapes.

Interim deal lifts threat to launch of Channel 4

BY DAVID GOODHART, LABOUR STAFF

AN INTERIM arrangement has brought a temporary solution to the dispute that threatened to disrupt the launch of Channel 4 television.

The dispute is about control of the new channel's signal, and use of automatic switching mechanisms that would have allowed Channel 4 to control centrally the input of advertisements provided by the 15 ITV companies.

The Independent Broadcasting Authority, which has responsibility for the channel, originally sought complete independence for the Channel 4 signal, with strong backing from the channel's executives.

The Association of Cinematograph, Television and Allied Technicians and the independent companies both objected.

The IBA has agreed to allow the signal to be relayed through the ITV station studios, but is pressing for guarantees that it will not be hit by local industrial action.

It has agreed to shelve plans for the automatic switching mechanism for advertisements. The ITV companies were keen to use this new system to save costs.

A separate dispute between ACTT and ITN over extra payments for the ITN news input to Channel 4 has been resolved. ACTT called for 15 per cent more in its members' annual productivity payment, but has now accepted a joint working party to monitor the work-load created by Channel 4.

● BBC news-features programmes may face blacking next month. The National Union of Journalists Broadcasting Industrial Council is to call for stepped-up disruptive action in the long-running campaign for pay and conditions to be increased in line with ITV journalists, whom they say are 40-50 per cent better off.

They also seek extra pay for working with electronic news-gathering equipment, and object to new contract arrangements at external services.

Unless the BBC agrees to go to arbitration members will refuse to co-operate with ENG and breakfast TV, and begin disruptive mandatory chapel meetings in early November.

● The strike since September 7 by 10 BBC dubbing-mixers has ended. The mixers, who caused postponement or cancellation of some programmes, accepted a grading increase of £877.

THE SOCIAL DEMOCRATS AT GREAT YARMOUTH

THE WAY AHEAD: Mr Jenkins and Mr Steel at the conference yesterday.

Jenkins suffers rebuff in vote on incomes policy

Reports from Peter Riddell, Ivor Owen and Lisa Wood. Picture by Ashley Ashwood

DELEGATES attending the first meeting of the Social Democratic Party's policy-making body in Great Yarmouth yesterday administered a sharp rebuff to Mr Roy Jenkins, the party leader, over incomes policy.

Against the advice of the platform they voted decisively to oppose any return to the rigid form of incomes policy operated by former Labour and Conservative Governments.

Before the vital vote was taken Dr David Owen provided further evidence of the lack of harmony between himself and Mr Jenkins by indicating clearly his support for the approach eventually endorsed by the delegates.

Miss Ruth Levitt, a policy adviser to Dr Owen, moved an amendment to a motion from the platform which had advocated the introduction of a conventional statutory incomes policy as the first leg of a two-phase approach to ensure that the injection of more demand into the economy did not result in a new wages explosion.

The amendment linked a call to the party to seek a specific mandate for an incomes policy with demands that there should be wide consultations to ensure its successful operation.

Miss Levitt said she understood the concern about having an incomes policy and stressed that she was not proposing that the party should not have one.

With Dr Owen applauding enthusiastically, she explained that she wanted the party to seek a mandate for an incomes policy which would be appropriate to 1983 and 1984 and not to 1971 and 1972 when the problem first arose.

With 3.3m unemployed the labour market was radically different today from that which existed 10 years ago.

Miss Levitt claimed that there would be a wide measure of support for an incomes policy which was different and which had a degree of flexibility which made it genuinely attractive to the people of Britain.

To cheers, Miss Levitt urged: "Don't tie the SDP to the flawed failures of the past and set it free to have a firm and flexible incomes policy.

Earlier Mr Jenkins had called on the Council for Social Democracy to demonstrate that the party was prepared to meet the incomes policy issue head on. Such a policy, he stressed, was necessary for a sustained drive to higher employment.

"We are therefore in no way afraid of saying firmly and clearly to the electorate that we are in favour of a statutory policy."

Mr Jenkins accepted that it was easier to express support for such a policy than it was to make it work and, in particular, to make it work over a long period.

He recalled that in the past Governments had entered office without an incomes policy and then had been pushed into adopting one after a setback or a crisis in their weaker or declining years.

The policy had then operated under mounting pressure for a year or two before collapsing or being abandoned after a change of Government.

Mr Jenkins insisted that the problem needed to be approached in a different way. "We would be prepared to start with a statutory policy which I believe would be endorsed by the electorate and for which we would have full authority.

"This would give us a base from which we would seek to move to greater flexibility, less centralisation and more durability."

Before the vote was taken Mr John Horam, MP for Gateshead West and a party spokesman on Treasury affairs, strongly backed Mr Jenkins's stand.

He warned delegates that if they passed the amendment it would weaken the party's position. "I think that is dangerous," Mr Horam said.

He maintained that it would be far wiser to have an incomes policy which was able to move from a tough, if rather inflexible position, to a more relaxed and flexible long-term approach.

Mr Horam gave an assurance that the party would seek to move as quickly as possible to a decentralised form of incomes policy which he admitted was the only form of policy consistent with its long-term aims.

In a lively debate there were repeated demands that any restraints on incomes must ensure equality of sacrifice, with no exceptions for company chairmen

On the recommendation of the party leadership, delegates approved a further amendment stipulating that any incomes policy should be as stringently applied to the highest paid in the public and private sector as to the mass of ordinary wage-earners.

Mr Martin Dent, north Staffordshire, underlined the importance of leading from the front.

Mr Ben Stoneham, Camden, a member of the National Union of Railwaymen paid tribute to Mr Sidney Weighell, who earlier in the week failed to secure reinstatement as the union's general secretary.

Mr Stoneham maintained that the party would have to take account of the views of moderate union leaders if it was to succeed in framing an incomes policy which would stick.

Real politics at last, but threat of smugness lingers

THE SDP got to grips with real politics yesterday and not before time. After the four-day travelling seminar there were card (but not block) votes, points of order and even some lively debates as the policy-making Council for Social Democracy began its two-day session in Great Yarmouth.

The day started with the advantage that there were real motions to debate and those attending were elected by local parties and presumably had some elementary political skills.

Grand politics was injected by Mr Roy Jenkins, the party leader, and Mr David Steel, the Liberal leader, who made a guest appearance. At his most authoritative and prime ministerial, Mr Jenkins reminded anyone who had forgotten that he was the last Chancellor to have a negative public sector borrowing requirement, so he would listen to "no lectures about prudent finance from Sir Geoffrey Howe."

Mr Steel, who never misses a political trick, tried to reassure the susceptibilities of SDP activists that he did not want a SDP-Liberal blancmange.

Nevertheless, the SDP conference remains unlike any other in its earnestness and cosiness. Indeed the party is in danger of becoming rather smug and complacent in adopting a rather patronising attitude towards anyone who does not see the wisdom of its cause and who remains in the other parties.

Some speakers during the week have wanted to pat themselves and fellow members on the back for holding such commonsense views. It was almost as if they were looking for a reward beyond the SDP mugs on sale.

Mrs Shirley Williams epitomises this attitude. She yesterday praised the party for "the strength of its conviction and the quality of its political thought." She even invoked Rupert Brooke's poem, Peace, which begins: "Now God be thanked who has matched us with his hour."

Unfortunately, it is Mrs Thatcher who will determine when the hour is and she likes quoting St Francis of Assisi.

Peter Riddell

'Industry first' plan approved

DELEGATES gave almost unanimous approval to the SDP's industrial policy document yesterday although two critical amendments received strong support.

Opening the debate, Mr Bill Rodgers said: "We firmly declare our intention to put industry first." The policy had implications for energy, education, transport and defence. "Above all, as the SDP has recognised, industrial strategy cannot be separated from reform of the trade unions."

Mr Rodgers said the underlying theme was a new partnership between government and industry.

The SDP proposals for a new industrial credit scheme; equity capital for high risk, high reward projects, a more vigorous competition policy and financial assistance to small businesses, an active regional policy and a more commercial, less political environment for the nationalised industries were a measure of the party's determination to put industry first. All were relevant to the central idea of partnership.

"We put industry first because this is the only way over the long term to get rid of the humiliation, misery and sheer waste of unemployment."

One of the critical but unsuccessful amendments questioned proposals on incentives for training by industry while the other claimed that policies described in the document would create new bureaucracies and quangos.

Mrs Hilary Newton, Greenwich, asked the policy sub-committee to reconsider its proposed introduction of a remissable tax system for industry to encourage training.

"A complete restructuring of training is needed, not fiddling around the edges," she said.

The amendment was defeated by about two thirds of the delegates.

Mr Steve Bene, South Hants, who moved the other amendment, complained that the policy proposals involved the creation of about eight new bureaucracies and quangos.

Mr Ian Wrigglesworth, MP for Thornaby, and SDP spokesman on industry, said that the proposals only introduced one new quango.

Mr Stephen Brooks, Ealing, supporting the amendment, said that in trying to encourage growth in industry the party was proposing a whole range of bodies

Whitehall would be overflowing with researchers, advisers, consultants and civil servants.

Steel calls Alliance to arms

THE LIBERAL leader, Mr David Steel, won a standing ovation when he appealed for a closing of ranks by the two parties in the Alliance. To cheers he declared: "The time of laborious preparation is over. We must call the Alliance to battle stations."

Mr Steel's confident and forceful speech evoked a response which overshadowed earlier rumblings of discontent over the Alliance. Some SDP delegates anxious to ensure the preservation of their party's separate identity had pressed for an emergency debate on the Alliance.

Mr Steel described the Alliance as a close partnership of equals. "We must become a movement which runs the length and breadth of this country, transforming the dark days of despair with the warmth and brightness of our conviction."

He contended that the need for the Alliance to succeed had been demonstrated even more clearly by the latest figures showing a further fall in manufacturing output. Amid further cheers he insisted: "We are now an Alliance for victory, not for ourselves, but for our people."

Mr Steel urged people distressed by Britain's continued decline and fearful of the future to hold on. "Don't despair, our forces are mustered we are coming to your rescue."

Mr Steel drew heavily on the Liberal Party's depth of experience in securing a surge of fresh support in the final stages of general election campaigns to place in perspective the latest findings of the opinion polls.

He claimed that a recent poll recording 27 per cent support showed that, if the Alliance performed no better than the average Liberal increase during the last six general election campaigns, it would end up with 35 per cent of the vote.

"In other words we are on course to break the 40-year-old duopoly in British politics."

Like Mr Roy Jenkins, the SDP leader, Mr Steel gave a warning that, because of the lottery of the first-past-the-post system, a 33 per cent share of the vote might prove inadequate. Even so the Alliance had only to boost its support by the same amount achieved by the Liberals in 1979 to be home and dry.

Mr Steel maintained that the Alliance could do something that neither the Liberal Party nor the SDP could do on its own: it was able to offer a credible and strong third choice of government

'Don't rock the boat,' plea by Williams

THE SDP president, Mrs Shirley Williams, received loud applause when she urged individual Liberal and SDP members not to rock the boat if they felt aggrieved over constituency seat allocations.

"The allocation has now been firmly agreed. The settlement has been generous to the Liberal Party. It has been generous because we in the SDP appreciate that the goal is important and the time so short that we cannot allow wrangles over seats to divide us."

After loud applause she added: "By the same token there must be an end to the discussion once both parties have endorsed the agreement. Any individual who feels aggrieved should ask whether he or she matters more than the common cause."

Earlier Mrs Williams denied that the SDP had been having a crisis of identity. The identity of the party was emerging clearly and strongly from policy documents, debates, fringe meetings and not least, from the growing sense of comradeship and common commitment.

The SDP was not a party of the well off, comfortable middle-class. A poll had shown that 40 per cent of those attending the conferences were trade union members, 11 per cent were unemployed and more than two thirds earned less than £10,000 a year.

Mrs Williams said the SDP and the Liberals were not identical. Each complemented the other. There were electors who would vote Liberal but without the Alliance would never vote SDP. There were other voters who were attracted to the SDP but would not readily vote Liberal.

THE WEEK IN THE MARKETS

Equities simmer over 600 mark

LONDON

ONLOOKER

It has been a week for referring to the history books as one indicator after another broke into new, or at least long untrodden, ground. It all began in the London market itself where falling world interest rates sent the FT 30 share index and the index for gilts forward to all-time highs.

Next a further ½ percentage point cut in bank base rate to 9½ per cent took the cost of borrowing to the lowest level for four years. Next came news that manufacturers' wholesale price inflation was also at its lowest since July 1978, and the week bowed out with the Retail Prices Index at a 10 year low.

Gilts stayed on the boil for much of the time, even though a number of investors took some sizeable profits built on earlier advances. But equities were never quite so sure footed, and though life above the 600 mark for the FT 30 index was more protracted than the previous week's fleeting glimpse, share prices never really got into their stride and by yesterday the index was edging downward.

Gilts finished the week up 2.05 at 83.00 and the FT 30 index up 11 at 603.9.

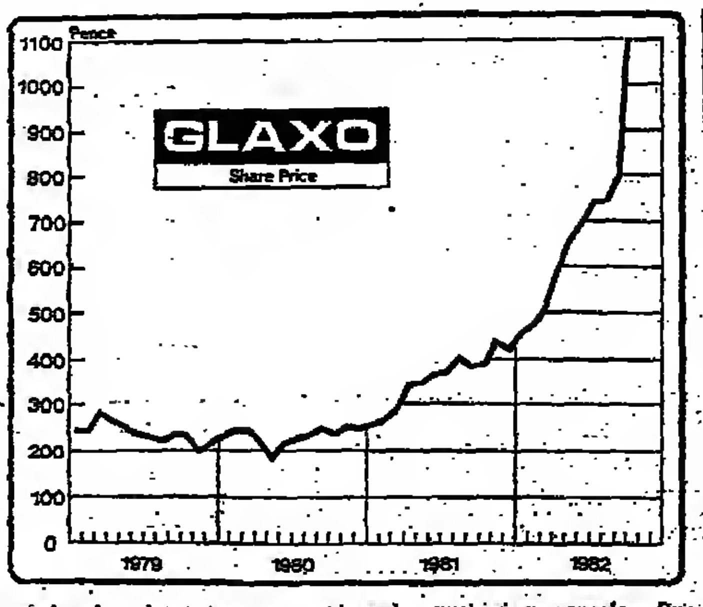
Glaxo glowing

Glaxo's performance this year has been nothing short of remarkable. From 418p earlier in the year, the shares had more than doubled by the end of last week. On Monday, the company unveiled a sparkling 53 per cent profit rise for the year ended June and the shares bounced up to end the week at around £10.75.

The profit increase, to £133.6m from £87.33m last year, was all the sweeter for a 24 per cent increase in the dividend. Glaxo's strength this year came from increased volumes worldwide, as price increases proved difficult to push through. Price inflation accounted for only a fifth of the 22 per cent increase in turnover.

Glaxo benefited particularly from the strong growth of its newer products in the year just completed. Zantac, its new anti-ulcer drug, achieved sales of £30m in the year, despite adverse publicity about possible side effects. Some analysts are predicting £100m in sales for Zantac by the late 1980s.

The growth of Zantac and other new drugs produced by Glaxo have prompted increased estimates from analysts of the company's likely performance this year. Estimates are already reaching as high as £170m for the year ended next June. Not surprisingly, the historic yield is around 2 per cent.



JFB sell off

Morgan Grenfell, the merchant bank, can justifiably claim to have initiated the £11.4m deal announced during the week which takes the slimming down of Johnson and Firth Brown, once one of Britain's largest special steels and engineering groups, another step further.

The bank's client, London and Midland Industrials, operates across a broad spectrum of consumer products and engineering industries but is based entirely in the UK and wanted to spread its wings overseas.

JFB had previously sold several overseas companies to an associate, JFB Holdings, where the U.S. investment group Oppenheimer is a big participant. Holdings set up a subsidiary, JFB International, to buy more companies from the parent company in the UK, Australia and South Africa. Electra Investment Trust, which has recently acquired Oppenheimer, subsicribed heavily for International shares. One of Electra's principal advisers is Morgan Grenfell.

One of Holdings' principal subsidiaries, Cannon-Muskegon in Michigan, had seen its profits fold as big aerospace customers such as General Electric and Pratt and Whitney battened down to weather the industry's recession. Cannon-Muskegon was going to be demanding fixed and working capital from its parents this year but JFB was still determinedly cutting back its borrowings.

JFB wanted to keep Cannon-Muskegon and another operation Endecotts, which LMI had asked about. But it is selling another seven companies, three of which supply the paper industry in New England, while one is based in New South Wales and another in South Africa.

LMI has issued some new shares, which the bank has placed for the vendor, but the bulk of the consideration is satisfied in cash. The deal has no effect on LMI's assets per share but enhances its historic earnings by some 11 per cent and takes borrowings up from nil to almost 40 per cent of shareholders's funds. LMI also acquires Mr Philip Ling, who leaves the chair at JFB Holdings to join the buyer's main board, which promises more acquisitive activity for his new colleagues.

JFB cuts debt by some £500,000 and its reserves are lifted by about £1m to reduce gearing by about two percentage points. After this month's big disposal of its special steels operations to a new joint venture, Sheffield Forgemasters, with the British Steel Corporation, borrowings will be 52 per cent of net tangible assets. But, of course, JFB is now braced to absorb its share of retrenchment costs in Sheffield.

Mail-order blues

The mail-order companies' reporting season has passed from the gloomy to the appalling. After Freemans last week showed a 52 per cent slump in pre-tax profits, only to be outdone by Grattans whose profits fell by 62 per cent, analysts strove to outbid one another in their doom-laden forecasts for Empire Stores' results.

In fact the half-year losses, of £1.97m pre-tax, were greater than even the most pessimistic forecasts. Empire is behind its competitors technologically and, with high borrowings and gearing ratio, it has been unable to follow Grattan's relative success.

The share price has fallen by 10p to 78p since the results were announced on Thursday. But this is still 10p above the low for the year.

This may reflect hopes that the results will soften the hearts of the members of the Monopolies Commission, currently considering a take-over bid by Great Universal Stores. Empire's performance this year suggest that it could strongly benefit from GUS's financial and purchasing muscle. One analyst estimated that Empire is paying an average of 5 per cent more for its wares than its giant competitor, which has enormous buying power.

There is a suspicion, however, that the company has loaded an extra burden on to the first half by making a large bad debt provision partly in order to impress the commission.

Queensway's rise

The recession's effect on consumer expenditure has caused havoc for carpet and furniture groups, which makes Harris Queensway's announcement on Tuesday of a 29 per cent interim profits advance to £4.9m all the more creditable. Admittedly most of this improvement is due to stores opened since the previous first half, but the period under review can have benefited little from the onset of cheaper money.

That factor is naturally proving enormously helpful in current trading third quarter sales are up by 20 per cent on a like-for-like basis, and the management seems to expect even greater things from the crucial final quarter.

At the beginning of the week the shares stood at 258p, having gained over £1 since the last full-year results. Following Tuesday's announcement the shares moved on to a new peak of 288p, at which point the alert chairman, Mr Phil Harris, sold 2.25m shares from his 24m family shareholding.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982 High	1982 Low	
F.T. Govt. Secs. Index	83.00	+ 2.05	83.56	61.89	Firm on reduced lending rates
F.T. Ind. Ord. Index	603.9	+11.0	606.1	518.1	Wall Street and cheaper money
BP	316	+28	324	258	Recovery hopes
Currys	258	+36	258	154	Interim statement
Empire Stores	78	−14	110	68	Gloomy interim statement
Glass Glover	195	+41	195	107	Press comment
Glaxo	£10⅝	+ 2	£11½	418	Excellent results/100% scrip
G.R.E.	366	+34	372	262	Yield considerations
ICI	316	+30	350	270	3rd-¼ figs. due Oct. 28
London & Liverpool Trust	91	+19	91	39	Investment recommendation
Mercantile House	510	+85	515	360	Firm money brokers
Office & Elect. Machines	330	−140	470	285	Poor interim results
Quest Automation	60	+23	140	20	Bid speculation
Randfontein Ests.	£49	+ 2⅞	£49½	£19	Sharp rise in bullion price
Ruddle (G.)	230	+36	230	160	Press comment
Rustenburg Plat.	272	+60	278	120	Heavy U.S./Jo'burg buying
SelecTV	39	+11	50	28	Hunt Report on cable TV
STC	600	+41	650	430	Hopes for I.T.T. share sale
Union Discount	610	+85	625	400	Cheaper money trend
Vantona	99†	−21	142	99	Expected to bid for Carr. Viyella

† Price at suspension.

Rise and fall

NEW YORK

RICHARD LAMBERT

IT HAS BEEN a week for the record books on the New York Stock Exchange. On Monday, when all good Americans should have been observing the Columbus Day holiday, the Dow Jones Industrial Average shot up through the 1,000 mark for the first time in over 15 months trading volume was the second highest ever.

On Tuesday, brokers across the country reported that the trading boom was spreading out from the big investing institutions to the general public. With this crush of activity, the Stock Exchange ticker was running over an hour late at one stage—another record.

By Wednesday evening, the Dow was posting a rise over 112 points in the period of just over a week since the Federal Reserve Board had shifted its monetary strategy. And on Thursday morning, the New York Stock Exchange announced that trading volume so far in 1982 had already topped the previous peak level for a full year — the 11.9 billion shares traded in 1981.

Since markets never go up in a straight line for too long, a slight hesitation in the bond market on Thursday was enough to prompt profit taking in equities, and the Dow fell by over 18 points on the day. But the market as a whole showed more plus than minus signs for most of Thursday.

While the financial markets have been boiling, the real economy continues to sag. Statistics released this week shed fresh light on the Fed's decisions to adopt a more flexible approach to monetary control —at least for the time being. That move triggered the explosion in security prices, and it seems increasingly clear that it was prompted at least in part by the dire state of the U.S. economy.

Thus it turns out that retail sales rose a disappointing 1 per cent in September, following a decline in August. Industrial production fell yet again last month, and was over 9 per cent down on the previous year's figure. The Morgan Bank said it expected the gross national product would rise at a real annual rate of only 0.4 per cent in the final quarter of the year. A month earlier it was projecting nearly 3 per cent for the same period. The forecasters are now beginning to paint a more optimistic picture for the second half of 1983. It's partly a chicken and egg affair.

The pundits are obviously under pressure to rationalise the rise in share prices. There is reason to think that the steep fall in interest rates and —perhaps—a weaker dollar should help to boost corporate profits in the coming months.

Merrill Lynch, for one, is now expecting a rise of 14 per cent in the after-tax profits of U.S. companies during 1983, and a further advance of over 20 per cent in 1984. That would follow three consecutive years of declines, which in the current year could reach 18 per cent.

One share that has come under selling pressure lately has been Johnson and Johnson. Its Tylenol painkiller accounted for perhaps as much as a fifth of its profits last year, but now the future of the brand has been thrown into doubt. A maniac, so far unidentified, poisoned batches of the capsules, which killed seven people in Chicago.

The company has earned praise for its prompt and open reaction to this disaster. Its short term prospects obviously remain under a cloud, but the shares have already fallen from a recent high of $47⅞ to under $42. Earnings this year could be roughly unchanged at around $2.50 a share after allowing for the cost of recalling Tylenol capsules, and they could rise usefully next year if the U.S. dollar at last starts to edge down from the stratosphere.

MONDAY	1012.79	+25.94
TUESDAY	1003.68	− 9.11
WEDNESDAY	1015.18	+11.40
THURSDAY	996.87	−18.21

Fear is the key

MINING

KENNETH MARSTON

THE ABSENCE of the Financial Times from Britain's newspaper stands and breakfast table for a few days last week coincided with a sharp upsurge in the financial market. first time that this has occurred, suggesting that perhaps "No FT—no comment" might in fact have a beneficial effect on investors' minds.

The FT 30-share index and the All-share index surged to new highs, and while no records were broken in the mining markets, both gold shares and the bullion price have put to strong performances.

It would be unwise to dismiss these phenomena as being simply a case of investors deciding that no news—from the FT—is good news. There are some sound fundamental reasons for the recent strength of the markets, particularly as far as gold and gold shares are concerned.

A great many reasons have been advanced to explain the latest rally in the bullion price. Obviously the recent trend towards lower interest rates has helped, although the importance of this should not be exaggerated. Interest rates may have fallen from their recent peaks, but they are still at historically high levels and still provide a relatively high real rate of return on money on deposit.

However, the most important single factor behind purchases of gold has always been fear. People buy bullion when they are frightened, and that is what they are doing now.

At various times in history, the fear which has persuaded people to turn their money into gold has been caused by political events. In this present cycle, it is the fear of monetary instability on a huge scale which has brought about the recent upward movement in the gold price.

The problems facing the world's banks as a result of their lending to sovereign borrowers have been well rehearsed, with, it sometimes seems, a new country staring bankruptcy in the face every week. Now, some analysts are starting to turn their attention to assessing the extent of the banks' exposure to their corporate clients, and finding considerable cause for concern in this respect as well.

Big names like Dome Petroleum, International Harvester and AEG-Telefunken may grab the headlines, and they do pose a problem for their creditor banks.

But it is the constant attrition caused by the steady stream of small defaults which could, if it continues, give the banks an even bigger crisis to deal with on their corporate lending than the one already looming as far as loans to countries are concerned.

It is the monetary instability which the failure of a couple of sizeable banks would bring about that is driving investors' money into gold, and the shares of the companies which produce it.

That accounts for the strong showing of both the bullion price and the FT Gold Mines index over the past few months, but not for one interesting phenomenon which has emerged recently.

As a rule, there is a fairly close relationship between the performance of gold and gold share prices, but the sharp fall in the gold price from around $500 per troy ounce in early September to below $400 by the end of the month was not mirrored by a similar decline in the index.

Gold has staged something of a rally since then, topping $450 this week for the first time since mid-September. The shares also resumed their upward trend after a short pause for breath, thus reinstating the traditional relationship as far as the direction is concerned.

Nevertheless, with both now moving roughly in parallel, gold is still lagging behind the index, and the gap between the two is bigger than we are accustomed to seeing. It is reasonable at this stage to ask why this should be so.

The remarkable resilience demonstrated by gold shares over the last couple of months, especially in the face of a sharp fall in the gold price in the middle of that period, can be attributed to persistent buying on behalf of South African interests.

Johannesburg demand has been instrumental in lifting the Gold Mines index from the 250 mark in early August to its present level of around 400.

There is another motive, apart from fears of monetary instability, behind the recent large South African purchases of gold shares. Local brokers have been pressing their clients to adopt a policy known by the Americans as "buying back the farm", or in other words, picking up South African gold mining shares while they are still relatively cheap.

All this should be good news for those who have put money into gold shares. More good tidings have come in the shape of the quarterly reports from the South African gold mines in the Consolidated Gold Fields group.

Gold Fields is traditionally the first group to report on the progress of its mines, and usually sets the general trend to be expected from the other mining houses.

While group net profits came out 12.1 per cent lower at R160m (£84m), this was the result of special factors which should not be allowed to obscure a generally encouraging set of results from the individual mines.

Overall mill throughput remained more or less constant from the June quarter at 3.57m tonnes. A very slight fall in gold grade from 9.9 to 9.8 grammes of gold per tonne of ore meant a marginal reduction in the amount of gold produced to 1,130,236 ounces.

The advance of about a quarter in the average gold price received, coupled with good progress in containing the inexorable rise in operating costs, led to a jump of 31 per cent in working profits, which came out at R359m. West Driefontein, Kloof, Libanon and Deelkraal put up a particularly good showing on the costs front.

However, the higher profits and a fall of 27 per cent in capital expenditure to R51m combined to raise the amount taken by way of taxation and the state's share of profits under the mining lease formula. This figure more than doubled to R199m, leaving net profits R22m lower than in the June quarter.

The principal special factor also concerned the tax charge. Gold Fields included in its June quarter results a tax saving of R38m consequent on the merger of the East and West Driefontein mines into the new Driefontein Consolidated "super-mine," warning that the figure might face adjustment by the Government Mining Engineer.

In the event, the tax saving has turned out to be R32m and the R6m difference has been added to this quarter's tax charge. Thus Driefontein's tax charge rose by 150 per cent in comparison with the depressed level of the June period, cutting net profits by almost 30 per cent to R96.2m.

With Driefontein being by some distance the biggest mine in the group, this has clearly hurt overall net profits in the latest period. However, this is only a hiccup in the progress of a wonderful mine and given a reasonable performance by the gold price in the current quarter, Driefontein will shine again.

If there are no special factors affecting the profits of the other groups, there could be some encouraging figures in next week's reports from the gold producers in the Rand Mines group (Tuesday), Johannesburg Consolidated Investment and Anglovaal (Wednesday), Gencor (Thursday) and Anglo American Corporation (Friday).

YOUR SAVINGS AND INVESTMENTS

Rosemary Burr reports on an investment scheme that went wrong

Why Bache found its futures imperfect

HOW WOULD you like to make an annual return on your investment of 50 per cent? Marc Lampell, an executive at Bache Halsey Stuart Shield's London office thought he had come up with a scheme that could do just that.

In the event British clients of the U.S. investment house who put their money into Lampell's scheme, which involved speculating in financial futures on the Chicago Board of Trade, found last week that they had lost most, if not all, of their funds.

About 200 clients are thought to have invested under this scheme. The minimum stake was $10,000 but most channelled several times this amount into the financial futures market. The total losses are in the region of several million pounds.

Bache in London says some investors are riding out the storm but for the majority the extra cash needed to do this may not have been available.

So what went wrong? The scheme was based on a historical analysis of the differential between the price of U.S. Treasury bonds and Government National Mortgage Association debt, both of which are U.S. government risk. However, the price of the two instruments tends to vary partly due to different interest schedules.

Bache devised a scheme under which investors could bet on the futures price spread between Treasury bonds and GNMAs remaining within the same range as in the recent past. The success of the venture depended on the spread staying within a seven and a half point trading band.

If the price differential moved against the client by one point Bache would invest further. This meant that if the price differential moved far outside the range anticipated by Bache investors could very quickly find their funds wiped out, if they could not raise further capital.

The chance of quick gain and the possibility of equally speedy losses occur due to the way financial futures markets are run. For a relatively small stake investors can buy and sell contracts worth sizable amounts of the underlying securities.

So confident was Bache that in a leaflet by Marc Lampell outlining the scheme potential clients were told that "stop-loss"—an automatic liquidation order should the market move sharply against the investor—is "inappropriate."

The scheme had been running 18 months when this August Marc Lampell said: "In six months there are no excuses why we should not make 50 per cent—at an annual rate." He emphasised that he did not "take an opinion on interest rates" and argued that "as long as there is movement this idea works."

On October 4, the December contract U.S. Treasury bonds stood at 72.02 while the December GNMAs was at 67.24. The differential fell just within Bache's parameters. Ten days later U.S. Treasury bonds stood at a nine point premium to GNMAs.

The effect of this movement in the differential was both swift and devastating. One investor, journalist Alec Snobel, said when he rang Bache last Thursday he was told he was showing a £25,000 loss. The following day the news was even more grim. His entire £40,000 stake had been wiped out.

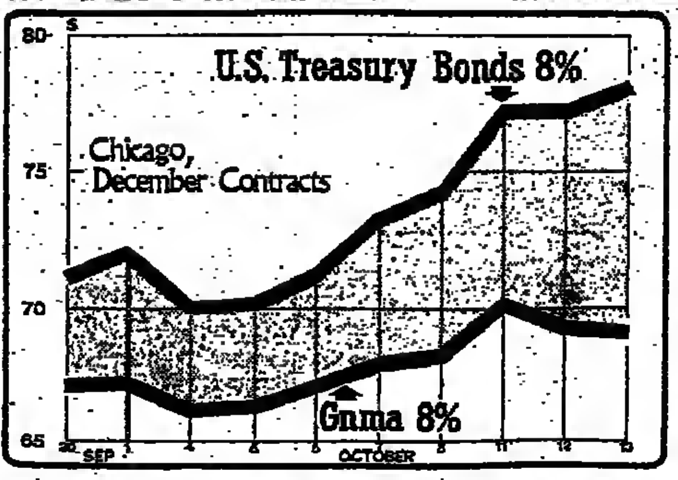
Salomon Brothers, another leading U.S. investment house, said in New York on Thursday that "there had been a basic technical change in the GNMAs market place. The futures market had got out of whack to the cash market. Nobody wanted to play anymore." As to the future Salomon says it thinks spreads between the futures prices of Treasury bonds and GMNAs "will widen further."

In common with some other investors who have lost money playing the Treasury bond/GNMA spread Mr Snobel signed various forms which outlined the dangers involved in putting money into the financial futures market. He also filled in a "commodity suitability letter" showing his assets and agreeing that "speculating in commodity futures is a suitable trading vehicle for me."

But Mr Snobel said he was under the impression that this was just a formality. He said he was told the two instruments "could not diverge greatly." A similar claim was made by Marc Lampell in the Bache leaflet. He said: "the amount by which the yields can diverge is, of course, limited."

Bache in New York is emphasising that investors both made and lost money under this scheme. "No investment is risk free" said Bache—a statement which should be emblazoned on the heart of every investor.

One client who has lost a substantial sum said it had taught her a lesson. This is "a highly speculative affair for people who have got some money to gamble," she concluded.



The Chicago Board of Trade at work

Charities and the taxman

BRITAIN'S HIGH income earners have not yet learnt to stop and think when they reach for their cheque books to make charitable donations. Few have understood that spontaneity no longer pays under Geoffrey Howe's tax regime and the tortuous legalism of the Inland Revenue.

That was the complaint of the leaders of Britain's largest charities, meeting this week at the annual conference of the National Council for Voluntary Organisations. Each had his favourite story of how thousands of pounds of income from donors had gone to waste. To be exact, £3,000 wastage for every £1,000 given in the wrong way by a top rate tax-payer; at least if you regard donating £3,000 to the Chancellor of the Exchequer as a waste.

In spite of the massive tax breaks given to encourage philanthropy in the 1980 budget, charity chiefs report a slump in the donations made under covenant over the past 18 months. Figures from the Charities Aid Foundation, the financial arm of the NCVO, show that the income from covenants of the top 200 charities fell from £12.0m in the fiscal year 1980-81 to only £9.2m last year.

The Government says it is up to the charities to bear the tidings of bigger tax breaks to potential donors and explain how they should be exploited. The charities complain that the system is too complicated. "I have to spend ages on each doorstep going through all the calculations," said one voluntary worker. "And at the end they are still suspicious."

The Government's idea is a simple one: if a person diverts part of his income from his own use to a charitable purpose, no tax should be imposed on it. Until April 1980, such donations were exempt only from the 30 per cent basic rate of income tax. The donor would, for example, make a contribution of £70 and the Inland Revenue would then top up this sum by giving his chosen charity another £30, representing the basic rate tax rebate.

For taxpayers in the 30 per cent bracket, this system still applies and higher rate taxpayers too see the basic rate element of their rebate handed over to the charity in the same way. But now they can also reclaim all the rest of the top tax rate they have paid on the income they have given to the charity, including any 15 per cent investment income surcharge.

This part of the rebate is not handed over to the charity, but returned to the donor together with all his other rebates, after he has filed his tax return at the end of the fiscal year. Charities say this method does not encourage the donor to increase his initial payment to the charity, even though he knows he will be getting a tax rebate on it.

But remember you could wait for up to 12 months for the rebate, depending on when in the tax year the donation is made. If you like precision in your philanthropy, deduct from your gift the interest you would have received while awaiting your cheque from the Revenue. Or, if you are not self-employed, you can speed things up by contacting your tax inspector and getting him to change your tax code.

Note also that the Government's higher rate relief is granted only on gross covenants totalling £3,000 a year, including the 30 per cent rebate. If your generosity goes beyond that figure, you will get only 30 per cent relief on the excess.

It would be easier for the donor to understand if the entire rebate was either handed over to the charity or was returned to the donor, as it is in the U.S. But the Inland Revenue says it would be too expensive and complicated to get their computer programmers to notify the system.

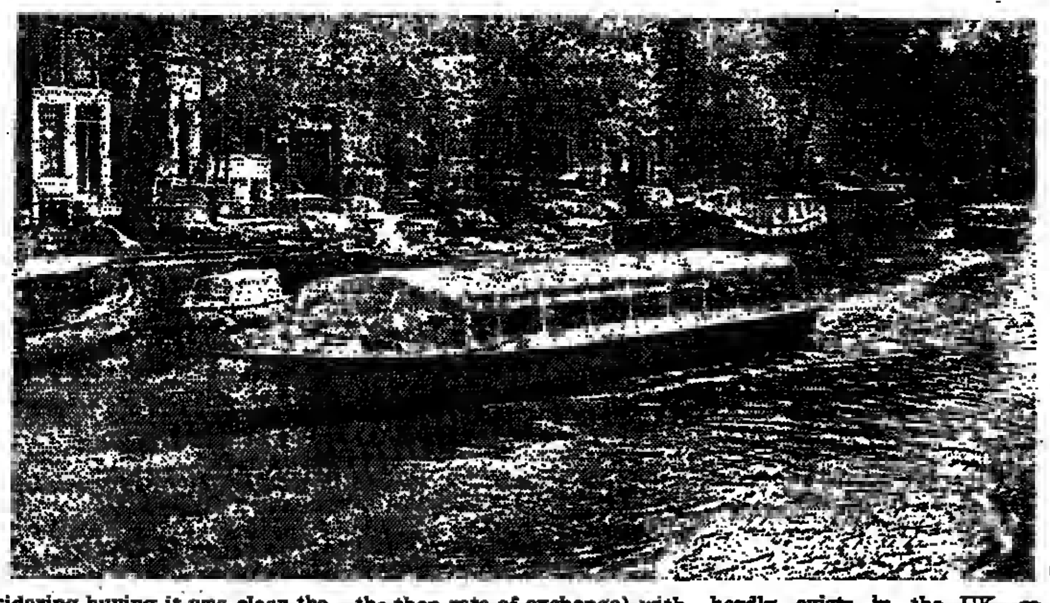
Once you have grasped the system, however, the multiplied effects of donations can be enormous. A top-rate taxpayer who makes a £3,000 net donation to an educational charity from investment income, will find the Inland Revenue's magic wand has converted the gift into £12,000.

Clive Wolman

YOUR SAVINGS AND INVESTMENTS—2

Charles Batchelor tells a cautionary tale for all people buying a home abroad

How we suffered by going Dutch



IT SEEMED a good idea at the time—late 1977—to buy rather than rent. We were living in a modern block in a pleasant Amsterdam suburb paying Fl 1,100 (£250 at the then rate of exchange) a month for a fully furnished two-bedroom "penthouse."

Rather than continue paying rent, it seemed to he the time to get on to the property ladder. Prices had risen by up to 39 per cent a year during the mid-1970s. We owned nothing back in the UK but if Dutch property prices continued to rise it would be easy to sell in the Netherlands and buy in the UK when the time came to move back to London.

But things did not turn out as planned. By early 1982 we counted ourselves lucky to take only a 25 per cent loss on the canalside flat we had bought 4½ years earlier.

We had put down a sizeable deposit but the price at which we sold only just paid off the remaining mortgage when the time came to leave. Taking into account the estate agents' fees—which had certainly been earned—we had to top up the final payment to our bank to clear the account.

We could console ourselves that our first venture into the property market had at least given us that sense of feeling at home after years of putting up with other people's garish furniture. And we had not been the only ones to have misjudged the Dutch property market.

Other expatriates who, like us, could not put off a move were also taking sizeable losses on the property they had bought while the Dutch mortgage banks—the experts surely—were plummeting into the red and having to be shored up by the other financial institutions.

We bought cautiously back in 1977, not wishing to stretch our finances to the limit, in case the guilder fell against sterling before we left. It did—by 8 per cent. But any currency loss we took was far outpaced by the collapse of Dutch property prices in the intervening years. Mldan

Reading the British papers which lamented "horrifying" three per cent declines in UK house prices as we slashed our asking price did not make the medicine any sweeter. They should be so lucky, we thought.

At the time we were considering buying it was clear the Dutch housing boom could not go on for ever. But we reasoned that even if prices slowed they would keep up with inflation—then about 10 per cent. We would cover our costs, at least in nominal terms, if we stayed for a minimum of two years.

After a couple of months looking we found what we wanted, a light and roomy flat on the third and fourth floors of a solid-looking 100-year old apartment building. Most important, it looked out on a canal, a broad, murky green waterway busy with private yachts in the summer and with barges carrying sand and gravel throughout the year. The canal was a source of endless fascination as the occasional dredger, as tall as our third-floor windows, moored outside waiting for the railway bridge to go up around midnight and allow it through.

Sometimes large pleasure boats, of the sort which cruise up the River Rhine, would tie up and we would watch several hundred people sit down to an elegant dinner moored alongside our dusty quayside.

"We would watch several hundred people sit down to an elegant dinner moored alongside our dusty quayside."

The asking price for our dream flat was Fl 147,000. In the still rising market of the time we felt we were lucky to get the price down to Fl 143,000 (nearly £33,000 at the then rate of exchange) with the carpets thrown in.

A few months after we moved in the housing market began to falter. Credit curbs imposed by the Central Bank began to take the wind out of inflation though the economic recession and higher interest rates were the most important factors.

Unemployment was rising and real incomes began to fall slightly. Mortgage rates climbed, reaching 13½ per cent at one stage, compared with the fixed five-year rate of nine per cent we were paying.

But we are still puzzling over why the property market in the Netherlands moved so out of line with that of the UK. Two factors go some way to providing and explanation. Real interest rates — the difference between the nominal rate of interest and the underlying rate of inflation — rose to unprecedented levels in the Netherlands in the late 1970s, considerably higher than in the UK.

Meanwhile, strict rent controls meant there was no incentive for people to move from the rented sector when interest rates were rising sharply. People stayed put and demand dried up. The equivalent private rented sector hardly exists in the UK, so buying demand has stayed reasonably firm.

Figures from the Dutch estate agents association showed that we were part of the national trend. Each year estate agents and builders confidently predicted the end of the slump but it did not come. Prices were still falling when we decided to return to Britain and put our flat on the market in October 1981.

Prices were about 30 per cent down from their peak, we knew, but against the advice of our agent, we pitched our price only slightly below what we had paid. We assumed any offers would be lower anyway.

The market generally was down but we thought there must still be some premium for flats in the popular centre of Amsterdam. Dozens of people trod our boards in the following months but not one made an offer.

With the date of our return to Britain fast approaching we dropped our price from Fl 140,000 to Fl 120,000 and finally (we hoped) to Fl 107,000—a 25 per cent fall on the purchase price in guilder terms.

Finally, in the past few weeks, a buyer emerged who did not argue with the asking price and several weeks after we had left contracts were exchanged and the deal completed.

Expatriates are bombarded with schemes for investing their money. Property seemed to us to be a safe bet. Our subsequent experience showed otherwise. But then how do you put a value on our canal?

Touche Remnant and private clients

TOUCHE REMNANT, one of the oldest and biggest investment houses in the City, is moving into the highly competitive arena of private client business. The decision was taken back in the summer of 1980 but the exact strategy only emerged this March after the acquisition of Ansbacher Investment Management for £950,000.

At the tail end of 1981 Touche Remnant started talking to Hill Martin, a small Bristol-based financial planning consultancy. At about the same time the group was considering taking a stake in Henry Ansbacher Holdings, the merchant banking group.

This spring the Ansbacher deal came to fruition. On April 6 Touche Remnant completed the acquisition of a 20 per cent stake in Henry Ansbacher Holdings; on March 31 the seal had been put on the purchase of Ansbacher Investment Management.

Ansbacher Investment Management was formed in 1974. Roger Young, who joined Ansbacher a year earlier, became managing director of the investment management company which advised small pension funds, charities and some individuals.

Ansbacher Investment Management had £50m under management when Touche Remnant took it over this spring. The bulk of the funds—some £42.5m—represented pension fund business and this has been integrated with Touche Remnant's existing pensions activity. The balance of £7.5m will form the core of Touche Remnant's new company, Touche Remnant Financial Management.

Touche Remnant Financial Management will provide a discretionary investment management service for people with over £25,000. In addition the group is keen that investors get a complete package of financial advice so it has harnessed the services of Hill Martin, two of whose directors have jointed the board of the new investment management company.

Roger Young explained that the company was geared to satisfy the particular needs of the investor whether they be for straightforward income or capital growth, or whether there be some particular requirement such as an antipathy to holding arms stocks. The group has an impressive array of computer terminals right at the investment managers' finger tips with which to keep tabs on this type of information.

As for investment philosophy,

Mr Roger Young

Young explained that the average portfolio would consist of about 15 holdings. Assuming the portfolio totalled £100,000 it would then be broken down into units of £6,500. Usually investors will be given the equivalent of two units in companies with a market capitalisation of over £1bn, ½ a unit in those with a market capitalisation of under £50m and one unit in the rest.

Anyone arriving at Touche Remnant with a portfolio of stocks should expect those not covered by the group's research department, or unfamiliar to the investment managers to be sold over a period of time. Young places great stress on the availability of research provided by the parent company which currently manages £1.4bn of funds.

None of the money will be invested in unit trusts or in the group's own investment trusts. Young does reserve the right to invest in other investment trusts but these are unlikely to form a major part of the portfolio.

As for the costs, these vary depending on the amount of money invested. Sums under £250,000 will attract a fee of 1 per cent a year while a ½ per cent will be charged on amounts of between £500,000 and £1m. Dealing expenses are paid on each transaction at the same rate as would be charged by the Stock Exchange, though sometimes transactions may take place outside the market.

As we have stated in the past anyone considering handing their money over to an investment manager on a discretionary basis should insist upon certain safeguards. Touche Remnant has adopted some of the guidelines suggested in an article in the Financial Times last June.

These include:

- A letter of appointment setting out the terms and conditions of the management agreement;
- A list of the type of investments to be considered;
- Contract notes are sent out as soon as is reasonably possible after transactions are completed;
- Fees are clearly stated (though clients should keep a close eye on additional dealing costs);
- Agreement can be terminated by written request without delay;
- Separate clients' accounts for capital and income;

But you can never be too careful. As we pointed out in June there are clients' accounts and clients' accounts. There are three weak features in the Touche Remnant Financial Management's agreement.

First, the managers in theory are given virtually a blank cheque against the investor's capital account under the terms of the letter of authority to letter the investor authorises Henry Ansbached. By this Ansbacher to "purchase securities or other property" on their behalf "on the instructions of Touche Remnant Financial Management" and to debit the investor's capital account whether or not the account is overdrawn. The investors accepts responsibility for all overdrafts.

Young admitted that "it was technically possible for us to overdraw clients accounts" but said this facilitiy was needed to cover "commission micmatchment on settlement day" or occasions when the deductions of the comany's management fees would push the client's account into the red.

After the Financial Times raised this issue Touche Remnant decided to add a clause to its letter of appointment to clarify the position. This says: "Your request and authority to Henry Ansbacher to open accounts enables us to debit fees even though your accounts with them may in consequence become overdrawn. However, we undertake that, except in these circumstances, this overdraft facility will not be used by us on your behalf save for the settlement of purchases and sale of investments the net effect of which does not give rise to investments being made greater than the agreed capital available for investment."

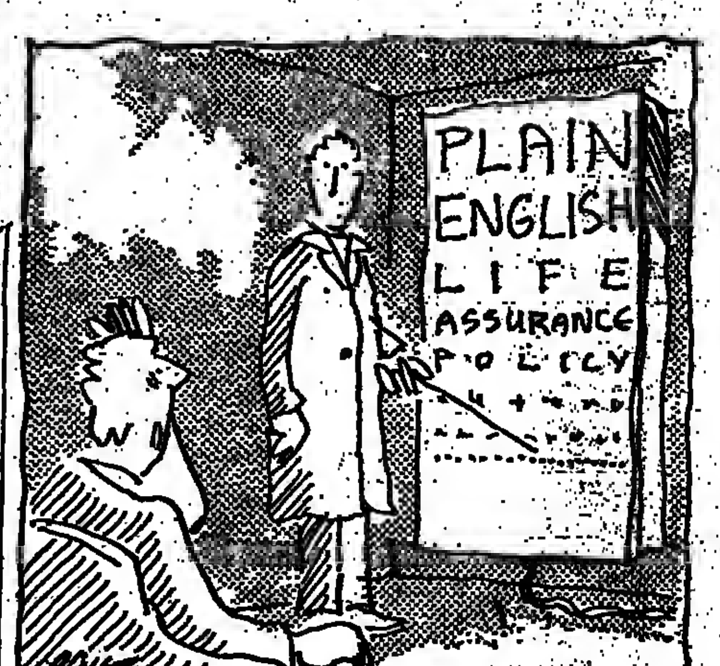
Second, the question of regular valuations for the client remains unclear. In the leaflet describing Touche Remnant Financial Management's services reference is made to the regular despatch of valuations of the clients' portfolio and quarterly bank statements. However, neither the letter of appointment nor the letter of authority formally lays this obligation on the management company or bank.

Third, the question of what, if any, interest clients receive on uninvested cash balances is dealt with in the promotional leaflet but again is not formally covered in either of the letters. The leaflet says clients will be paid 1 per cent beneath Henry Ansbacher's base rate on cash balances.

The last two points would seem to be merely matters of drafting but investors must decide whether they are prepared to give the company the right to overdraw their accounts without prior notice.

Rosemary Burr

Making Life simple



"THE layman's view, that's what's needed." My colleague, Eric Short pushed towards me a specimen of General Accident's attempt to turn insurance policies into plain English. He was too close to the subject and I was ideal for the job.

General Accident has followed up its earlier plain speaking motor and home policies with—what it hopes—is a readable life assurance policy. Sweeping away the cobweb of words that surrounds the average policy, GA's version should be understood by everyone.

hT evening, before launching myself as "Mr Layman," I decided to take a look at my own policies, just to see if they really were as incomprehensible as I remembered them. I retired to the study to check. Well, I suppose in plain English it might be called the junk room that houses everything from broken toys to the home-made plonk and of course, the insurance policies.

Anyway the documents confirmed the very worst. "Whereas the person named or referred to in the Schedule hereto as the Proposer (hereinafter called "the Proposer") has by means of a proposal and declaration proposed . . ." I proposed to go no further. Anything GA had to offer would surely be better than that. It was.

The new GA policy is a world apart. It begins "This Life Assurance Policy is written confirmation of a contract between Yorkshire-General (GA subsidiary) and the policyholder. . ."

Apart from the simplified wording there is a running commentary in a shaded margin which is designed to take the policyholder step by step through the document.

The commentary is not part of the actual policy, which is a legal document and as such has to be tightly worded. Given that constraint GA has done a commendable job. Not that it was an easy task by the sound of it. The exercise involved exhaustive market research, the testing of consumer response, and seemingly endless drafting and redrafting.

Especially useful is the personalised Schedule which gives a brief round-up of everything the policyholder needs to know. The Schedule, the document warned, should not be removed from the policy. I don't wish to quibble, but mine fell out as soon as I turned the page. GA please note: some stronger glue wouldn't come amiss.

Not surprisingly, for an industry based on actuaries, GA has not missed its chance to throw in some statistics to back up its plain English claim. According to Dr Rudolph Flesch's readability scale the new GA policy scores 51 against an average of 32 for existing British contracts. It may sound impressive but it is not that much of a break through. In some US states a policy cannot be issued with a score of less than 50.

Anyway GA's score, they ensure us, puts the new policy on a readability par "with popular daily newspapers." That seems a little hard to swallow.

Terry Garrett

A family affair

THE British Insurance Brokers Association launches the last of its promotional campaigns next week—the Family Insurance Week. The previous campaigns, all aimed at promoting the services offered by insurance brokers to the public have dealt in turn with particular insurance needs—motor, home, life and pensions. This final campaign covers the totality of a family's insurance needs and savings requirements.

Members of the public will be able to get expert and impartial advice, without obligation, on all their insurance and savings requirements from any local BIBA member who displays the Family Insurance Week sticker in his window. As usual, the advice does not involve the individual in any direct payment to the broker. His remuneration comes from commission on any business he completes.

E.S.

YOUR SAVINGS AND INVESTMENTS—3

Barry Riley reports on a dilemma facing the clearers

Banks losing deposits battle

HIGH STREET banks are becoming spectacularly uncompetitive in the battle for deposits. As interest rates continued their general decline this week, the clearing banks' seven-day deposit rate dropped by three-quarters of a percentage point to 6 per cent.

This was a quarter of a point more than the fall in lending rates, because the banks decided that they needed to widen their margins in order to protect their profits. But in doing so they are falling still further behind the rates offered by rival institutions like the building societies and National Savings.

At present the building societies' recommended share rate is 7¾ per cent which it must be remembered is a net rate, whereas the bank deposit rate is gross. Allowing for standard rate tax, the building society rate grosses up to around 11 per cent. It is true that this yawning differential is bound to be partly corrected when the building societies cut their rates next month. Probably the net investment rate will come down by at least a percentage point.

Even so the building societies will still be offering a far better deal. And it should be remembered that most societies run extra interest schemes whereby investors can earn bonus rates by agreeing to certain not very onerous restrictions on the liquidity of their investment.

It is all so different to the relationship a year ago. Then, with bank interest rates peaking in the first half of October, the seven-day deposits rate at one stage reached 14½ per cent. That left the building societies well behind, though eventually the share rate went up to 9¼ per cent net (just under 14 per cent gross) in November.

At around that time the clearing banks were talking grandly of staging a major effort to recover the share of the deposits market which they had lost over a period of years—mainly to the building societies. But with the general decline in interest rates, that strategy appears to have collapsed in ruins.

Why have the clearing banks become so stingy? Their basic problem is that they have very high costs which can only be properly covered at times of high interest rates. At such periods the interest-free current account money deposited with the banks can be lent out to give very high returns, and the clearers can then afford to be more generous in the rates they pay to deposit account customers.

But now, with lending rates tumbling, the current account money is much less lucrative. To make ends meet, the banks are forced to cut their deposit rates right back.

There is an alternative. The banks could raise charges steeply on cheques, standing orders and other items. Then they could afford to raise their deposit rate once again to a level competitive with the building societies. But the clearers are terrified about embarking on such a marketing upheaval.

So they are gritting their teeth and watching their deposit market share dwindle away again. They put a brave face on it by arguing privately that most of their customers sensitive to interest rates have already switched their money elsewhere. The money that is left on seven-day deposit belongs to people who are too ignorant or lazy to know or care just how bad a deal they are getting. So there is no point in offering any more.

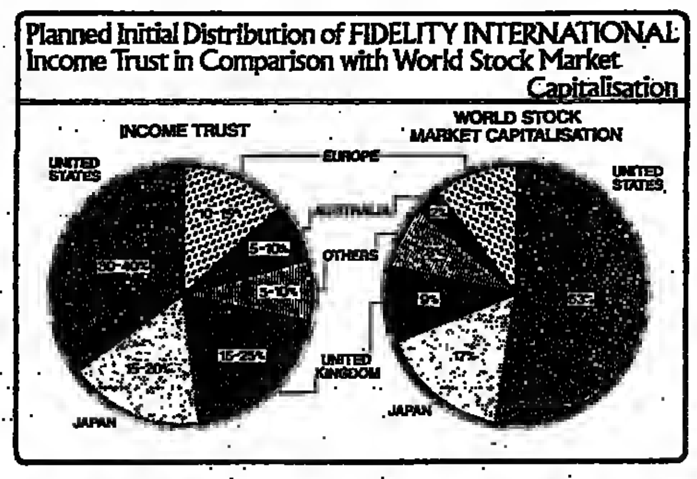
But this could turn out to be a very shortsighted policy.

The global money-go-round

INTERNATIONAL trusts have been out of favour in recent years as they rarely appear near the top of the short-term performance tables and by definition are unable to keep pace with a specialist fund which is invested in the world's most fast-moving market in a particular year. In addition, they have little appeal for investors seeking income as higher yields are usually obtainable elsewhere.

However, Fidelity International, the UK offshoot of the Fidelity Organisation based in Boston, hopes to swing the market's mood back into sympathy with more general trusts. Richard Timberlake, the London company's managing director, believes many investors are confused by the proliferation of specialised trusts.

So Fidelity has decided to buck the unit trust market's trend and launch two international funds. One is an authorised unit trust aiming at capital appreciation, which the group hopes will be its flagship. The second is an offshore international trust, yielding about 7½ per cent, which Fidelity hopes will plug the gap left by other international trusts which are largely capital orientated.



Fidelity argues that it is cheaper for investors to place their funds in a broadly based international trust rather than to swap between specialised trusts. It also places the onus on timing a switch between markets firmly on the professionals.

Fidelity Managed International Trust, the authorised trust, will seek to maximise capital appreciation and the yield will be about 3 per cent on average. Investors can, however, expect the dividend payouts to vary from year to year depending partly on the geographical distribution of the portfolio. If, for example, the managers decided to channel most of the funds into Japan the yield could fall to 1 per cent.

Initially about 55 to 60 per cent of the fund will be in the U.S. and a sizeable proportion will be invested in London. For the moment the group plans to give the Tokyo and Hong Kong markets a miss. The fees are standard with a 5 per cent initial charge and a 1 per cent annual management fee. The trust deed gives Fidelity the authority to increase the management fee to 1½ per cent subject to three months' notice but the group says it does not intend to increase charges before 1984 at the earliest. The minimum investment is £500.

Fidelity International Income Trust in Jersey is a rather different sort of animal. The funds will be invested in high yielding equities and convertible loan stock issues, particularly in Japan. Shares will be chosen for above average yield and then sold as soon as the price rises relative to the market bringing the yield back in line with the sector's average. The minimum investment is £1,000.

At the same time Fidelity will be adding one specialised fund to its current stable of seven trusts. In line with several other management groups Fidelity has detected a growing interest particularly among stockbrokers for a U.S. bond fund. Fidelity's response is a Dollar Fixed Interest Trust based in Jersey with a gross yield of 12 per cent.

The trust's portfolio will consist of U.S. Government Securities, which will form the bulk of the holdings, U.S. corporate bonds including BB ratings and a small proportion of Eurobonds and Yankee bonds. At the start about 60 per cent of the fund will be fed into Fidelity High Income Fund, a mutual fund run by Fidelity International's Boston parent. In two years' time this will probably be halved to a 20 per cent stake.

Rosemary Burr

A delay in distribution

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

I am a beneficiary in the estate of my father who died intestate in December 1980. The administrators who are also equal beneficiaries have refused my request for the realisation and distribution of the estate, and to my alternative proposed, for themselves to acquire my share at a price based upon independent valuation.

I believe there is a formal procedure whereby I can apply to the High Court for an order for the realisation of the estate. If this is so, are there any grounds upon which the Court may refuse to make the order? If the order is made, can I recover from the administrators, any or all of the costs incurred by the application, on the basis of their unreasonable obstruction? Is it possible and feasible to make an application without the use of a solicitor? If so, where can I find details of the procedure to be followed?

You can bring proceedings in the Chancery Division in the form of an Administration Action. The court is not bound to make an order, but will normally do so if the administrators do not adduce valid reasons for their delay in distribution. If an order is made you should also be given your "party and party" costs. If you make an application prematurely, you may have to pay the Administrators' costs as well as your own. You do not have to employ a solicitor and you can conduct the proceedings in court yourself, but it may not be wise to do so. You may wish to consult Williams Mortimer and Sunnucks on Executors Administrators and Probate.

Chance to repair a watch

In May this year, I purchased an expensive ladies watch from a local retailer. After two months wear, my wife was forced to return the watch because it had stopped. The retailer restarted the watch, but it failed again after another week. The retailer now wants to return the watch to the manufacturer, but my wife and I would prefer either another watch or a refund of the purchase price. Are wa entitled to demand a refund or must we — as the retailer claims — give him a "reasonable" chance to repair the watch?

You are not obliged to give the retailer a chance to repair the watch. If however he supplies an identical watch which works properly be will bave mitigated the damage caused by the breach of condition in the contract of sale. Unless be does so you are entitled to require the price of obtaining such a watch elsewhere to be paid to you.

Retirement gift

I shall be taking early retirement at age 60 at which time I expect to be given by the company, the gift of new car value £5,000 to £6,000. Since I will, I presume, have to declare this on my tax return, would you please indicate what my position will be at that time ie will an assessment be made resulting in my having to pay a sum of money to defray the gift? I am in the 60 per cent tax bracket.

If your expectation is no more than mere guesswork, then the car will probably be taxable only (if at all) under the golden handshake rules (as amended by section 43 of the Finance Act 1982).

On the other hand, if your employers have given you grounds for your expectation, then you may face a 60 per cent income tax bill on the cost of the car, under the general rules of schedule E.

Tenant of life's powers

I am a beneficiary under my late father's will. In 1975 Mr Justice Graham made me a tenant for life in part of the house called the "Cottage." the main building was sold off. Does this make me a Trustee under the Settled Land Act 1925? And if so, could I buy in the "Cottage" from the estate if I wished? I have to pay all expenses and insure the place the judge said, but no other strings were attached.

If you are a tenant for life you are not by reason of that fact a trustee save as to the exercise of your power of sale. You would probably need an order of the court to sanction a sale to yourself; but it would be necessary to examine the full terms of Graham J's order to ascertain the precise position.

Club drinks and fruit machines

I am often taken out by a friend of mine to his club and he signs a form and pays, I believe, 25p for the evening. As a guest, am I allowed to buy drinks or is this contrary to the Licensing Act? Can I play on the fruit machines or is this contrary to the Gaming Act?

You ought not to buy drinks at the bar; but you can play the fruit machines.

Only tax on a gain

I bought some Funding 5½ per cent 1987/91 stock last November and I wish to sell this as soon as possible. Will the increase in value be treated for taxation purposes as a capital gain, or as it has been held for less than one year will it be treated as part of my income? I am not sure whether Section 160 of the Income and Corporation Taxes Act 1970 still applies.

Section 160 was repealed in 1971, fortunately. Subject to the possible (but unlikely) application of section 30 of the Taxes Act (as amended), therefore, the only tax on the gain will be CGT.

No interest in a legacy

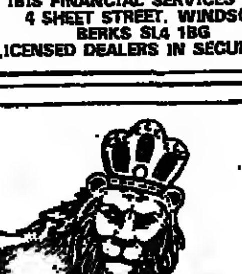
A few years ago I was left a small pecuniary legacy which was payable to me on the death of a person who enjoyed the income of the deceased's estate during her lifetime. The tenant for life has now died and I have received payment of my legacy. The amount paid was the amount left to me by the Will, but I was under the impression that when a legacy was payable after a prior life interest then the legacy attracted interest from the date of death of the life tenant until it was paid. Is this correct, and if so what is the current rate of interest that is payable?

No. If there was an intermediate life interest you would not be antitled to interest on your legacy whether from the end of the "executor's year."

Noisy neighbours

Our next door neighbours in our terrace house are very noisy, by day and night. We have politely complained but they laugh at us and a local solicitor says there is little if anything we can do. Have you please any suggestions?

Any remedy you might have in law would be under the law of nuisance. However, it would be very difficult for you to establish a clear enough case of nuisance, within the meaning of the term in law, for you to be likely to succeed if you applied to the court for an injunction. You might try to enlist the Local Authority's Environmental Health Officer, who has some (but limited) powers under the Control of Pollution Act 1974.



MOTORING/GARDENING

Which Car of the Year this year?

BY STUART MARSHALL

SUMMER HAS gone, the autumn motor shows are upon us and the industry is wondering who is going to win the Car of the Year 1983 Award. Last year it was Renault, with the R9; the year before, Ford's Escort.

The award is made by a consortium of European motoring and general interest magazines and is decided by a jury of more than 40 international motoring journalists. I am not among them. That allows me to speculate about car of the year at a time when even the candidates have not been officially announced.

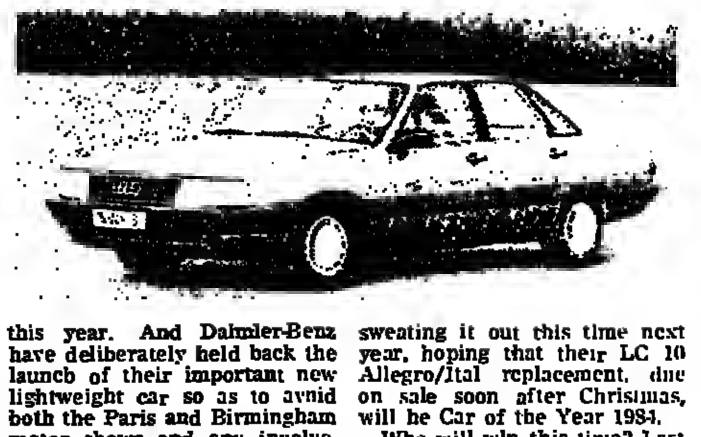
Manufacturers gaining a car of the year award always exploit the publicity as hard as they can though whether it actually sells a lot of cars is a moot point. Some past winners—the Escort for example—have been vastly successful in the market place. Others—the Rover 3500, Talbot Horizon and Lancia Delta come to mind—have not. What it really amounts to is that if a car is what the market wants, it will sell even if it doesn't win, as the Vauxhall Cavalier, pipped at the post last year by the Renault 9, has proved. And if it isn't the right car at the right time, the award won't help.

This year, there are only two serious contenders for the award—the Ford Sierra and Audi 100. They dominate the field mainly because four other potential winners among the 1982 model crop cannot be considered because they fail to meet contest requirements. To be eligible, 5,000 examples of a new car must have been sold by the year's end. It must have been available in five markets, to allow judgment to be made on a value for money basis.

And the names of these four potential winners that, on present indications, won't be there? The BMW 3-series, Citroën BX, the Opel Corsa and the new, lightweight Mercedes. The BMW will make its debut too late in the year to rate consideration. Citroën's BX won't be entered because initial sales will be confined to France.

Opel's baby car, the Spanish-built Corsa, will be available only in Spain, Italy and France this year. And Daimler-Benz have deliberately held back the launch of their important new lightweight car so as to avoid both the Paris and Birmingham motor shows and any involvement with Car of the Year Award 1983.

The Ford Sierra (above) and the Audi 100



The Maserati Biturbo, I hear, fails because it cannot meet the minimum production qualification. So the organisers are left with a meagre field in which to give the hot favourites a run for their money.

The Talbot Samba, too late for consideration last year, will be entered for 1983. So will Volvo's 7-series. Three Nissan cars—the Datsun Stanza, Sunny and Cherry—will be eligible. Another probable Japanese qualifier is the Mitsubishi Colt Starion.

At the moment, it is doubtful if any British cars will be in the list. Relatively modest changes like those which turned the Princess into the Ambassador hatchback are not sufficient to gain an entry. Nor will the Bentley Mulsanne Turbo or Talbot Horizon diesel qualify. A mere engine power boost, or even substitution, does not make an existing car into Car of the Year fodder. BL will be sweating it out this time next year, hoping that their LC 10 Allegro/Ital replacement, due on sale soon after Christmas, will be Car of the Year 1984.

Who will win this time? Last August, having driven the Sierra and considered the likely strength of the opposition, it seemed a racing certainty that Ford would. The Sierra is a very good car; light years ahead of the dreary though commercially successful Cortina. It is more refined, more fuel efficient, has a vastly better ride, handles nimbly and is generally as up to date as the Cortina had become old fashioned.

But Ford fought shy of going to front-wheel drive for Sierra. They rationalise their decision by pointing out that the space-saving advantages of front-drive are less important in the Sierra's size class than in the Escort's. Rear drive, they say, allows all existing engines, the 2.3 and 2.8 litre V6s included, to be offered to customers. (Squashing a V6 into a cross-engined, front drive car's bonnet is exceedingly difficult.)

But under its way-out styling, the Sierra is little different from a scaled-down Granada or, as Ford might fairly point out, a BMW or Mercedes. It has an exceptionally low aerodynamic drag rating—but the Audi 100's is lower still.

The Audi (this column, September 18) must be the most energy effective production car of its size in the world. Though a generous five-seater with a colossal boot, it cruises at autobahn speeds more economically than much smaller cars like the VW Golf or Ford Fiesta. Its looks are not quite so futuristic as the Sierra's but it is up to the minute nonetheless. Its engine range—four or five-cylinder petrol, five-cylinder naturally aspirated or turbo-charged diesels—may be thought by the jury to be more in tune with energy saving fashion than the Sierra's four and six-cylinder petrol and lone Peugeot-built four-cylinder diesel.

My forecast of the result: the Audi will beat Sierra by a nose. Why? Because sheer efficiency apart, it compares well with any of its price and size class rivals whereas Sierra shines most brightly when measured against the standards of the car it replaces, the Cortina.

In third place, natural justice dictates a Nissan. Any of the three new cars brought out in the last year would do—the Stanza, Sunny or Cherry. Let no-one underrate the scale of Nissan's achievement. In a 12 month period, they have replaced all three of their lowest priced cars with totally new models. It is as though Ford had replaced Fiesta, Escort and Cortina in the same year. The new Nissan trio are more European in concept than some European-made cars. They feature lightweight, cross-mounted engines, front-wheel drive, in most cases a five-speed gearbox with overdrive on fourth and fifth, rack and pinion steering, all-independent suspension and Japanese levels of equipment at frighteningly competitive prices.

Fourth, after one or other of the Datsuns, may be the Volvo 7 series. After that there will only be a few also rans. The result will not be known until the end of the year but I hope to have the official list of runners in a week or two.

Daddy-long-legs' dreaded offspring

BY ARTHUR HELLYER

THERE HAS BEEN quite a plague of daddy-long-legs or crane flies these past few weeks and I heard someone say in a radio programme that this was an indication of a mild winter ahead. Of course it is nothing of the kind but it is proof that there were a lot of leatherjackets in the soil during the spring and summer for these are the larvae of crane flies. Since each female fly can lay up to 300 eggs it seems pretty certain that the year will close with another very large population of leatherjackets and it would be wise to assume that, mild winter or not, a lot will survive to trouble our gardens next year.

The flies themselves do no direct harm to anything, but their slow-moving grubs, which look like dirty grey caterpillars until one notices that they have no legs, eat the roots and stems of many plants and can do an enormous amount of damage. Their favourite food is grass but there is very little of a fleshy nature that they will not eat and young seedlings of all kinds are at particular risk.

The effect of leatherjackets on lawns can be dramatic. The grubs start eating the roots in real earnest in the spring and by midsummer will have destroyed so many roots that any spell of dry weather will bring the lawn out in brown patches. If there is any doubt about the cause a simple test is to saturate one of the brown areas with water and then spread polythene, plastic bags or a tarpaulin over the surface so that air is excluded. Soon the leatherjackets will have to come to the surface for air and if the covering is removed the following day they will be seen lying there, for they move very sluggishly. This method can also be used as a safe and effective cure if the whole area affected is soaked and covered and the exposed grubs are then swept up and destroyed.

In other parts of the garden, where soil can be disturbed more easily, there are several insecticides that will kill leatherjackets if raked or forked in according to label instructions. One of the best is bromophos, which is marketed under that name, and others are carbaryl, diazinon and HCH which are sold under various trade names. These chemicals can also be used on lawns but they will need to be well watered in to get them into contact with the grubs.

Leatherjackets are not the only cause of grass dying in patches. Several fungi can produce similar symptoms and the most likely to be troublesome at the moment is fusarium patch. If conditions are right the fungus that causes this will spread its pinkish-white filaments over or through the dead grass but absence of this mycelium is not an indication that the trouble is not due to fusarium. Grass killed by leatherjackets withers away as if scorched whereas when killed by fusarium it becomes wet and slimy. If in doubt the water test should be used.

Calomel, much used by vegetable growers to kill cabbage root fly grubs and also the slime fungus which causes clubroot on all brassica crops, is also effective against fusarium patch and dichlorophen, which is used in some moss killers, quintozene and benomyl are other possibilities. The disease is most likely to be troublesome on wet, alkaline soils and when the air is humid but the temperature is cool. Late use of nitrogenous feeds of any kind can make grass soft and more susceptible to the disease. It is much less likely to occur on soils that are rather acid and well-drained and these are also the conditions that suit the fine leaved slow-growing grasses such as the fescue and agrostis species. However these are also the grasses that are most difficult to keep strong and weed-free so that what one gains in one direction can be lost in another.

It is easy to make soils less acid by adding lime to them but much more difficult to make them less alkaline without producing unwelcome side effects. Repeated use of sulphate of ammonia as the source of nitrogen when feeding turf will gradually reduce alkalinity or increase acidity but one must be very careful not to give an overdose or grass may be severely scorched or killed. About ½ oz per sq yard is the maximum I would consider safe at any one time and no more should be given for at least six weeks and then only if there has been plenty of rain or the grass has been well watered. On lawns it is unwise to use this fertiliser after mid-August because of the danger of encouraging fusarium patch already noted.

Top dressings of acid peat will also have a small effect on the surface soil but it is not likely to be long lasting. However, peat dressings do improve the texture of the soil and by making the surface more porous allow air to enter and so improve the fertility of the soil and the health of plant roots. Slitting and spiking turf have similar effects and the two treatments can be combined since peat will fall into the slits or holes and so become better mixed with the soil. Now is a good time to carry out such operations.

It is not a particularly good time to apply selective weed killers but I would use them now rather than let lawns enter the winter with a lot of daisies, buttercups and other creeping weeds which would go on spreading slowly even in cold weather. If weeds are confined to small areas it is best to spot treat them rather than apply the herbicide over the whole lawn. At this time of year the herbicide should be used on its own, not combined with a fertiliser which would encourage late growth and possibly another attack of fusarium in late winter or early spring.

The experts say that these February-March attacks are caused by a different strain of the fungus and they call it snow mould because it is often most severe when lawns have covered by snow. However this may be, the effect is much the same and can be equally disastrous.

UNIT TRUST AND INSURANCE OFFERS

PROPERTY

Life in rustic Spain

BY JUNE FIELD

ASK FOR Don Pedro the Englishman in Gaucin, high in the Ronda Sierras, and they will say which one, because there are several. There is Peter the magazine editor whose simple village house which I saw a couple of years back has now been converted to a smart holiday home, and Peter the retired Royal Navy captain who with his wife Margaret spends some of the year farming in a modest way in Spain, the rest in his native Portsmouth.

Gaucin has long been popular with the British. The faded parchment-leafed visitors' book in the tiny old-fashioned inn where I ate lunch, records visits from service families in nearby Gibraltar who would walk or ride on mules up to the village before the coming of the railway 14 kilometres away.

Out of the 2,000 inhabitants now, there is an expatriate community of around 50 of whom not more than half-a-dozen spend the whole year round there, and the village is still relatively secluded, although when the new road is completed in 1984, it will only be half-an-hour's drive down to the coast. The supply of village houses to restore is beginning to dry up, and more foreigners are buying *fincas*, some just land, others with rough farm buildings or a fairly basic dwelling; these belong to local families who find that they can no longer make a satisfactory living from the almonds, olive and carob bean crops, plus the wheat, forage and chick peas produced where the land is not so steep.

Farm buildings on about 10 hectares in the Spanish hills at the back of the village of Gaucin, for sale around £35,000 plus renovation costs through Elisabeth Woods, Fincasol, 4 Bridge Street, Salisbury Wiltshire (0722 26444), who featured similar properties in thn seminar "Farming and Landowning in Southern Spain" at the Waldorf Hotel, WC1 last week. (Photograph Trevor Kenyon).

The small influx of outsiders has brought some new prosperity, because for them, profit is not, and was never intended to be, the main motive for farming at this level. The designation "fun or hobby-farming" is not to decry anyone's efforts, but to put into perspective the fact that no-one should expect to achieve what those with far more experience have already found so difficult.

The ex-naval pair who bought the *Finca* of the Golden Orioles (so called because these birds along with nightingales, arrive in the spring and return to Africa in the autumn), told me: "Looking after the land is not too much of a problem, due to cropping, whereby the new owner gets someone local to pick the crop, and receives half or one-third back."

However, everything is not quite as uncomplicated as it sounds. There are various planning restrictions on *rustica* land, so it is important to go to an agent who understands the regulations. Fincasol, British and Spanish-based company headed by Mrs Elisabeth Woods, are both agents and developers.

San Francisco, sophisticated ranch-style farmhouse, former home of film star Stewart Granger, set in a 2,000-tree orange grove in the hills of Southern Spain. For sale in the region of £1m through Elisabethe Woods, Fincasol, 4 Bridge Street, Salisbury, Wiltshire (0722 26444) who organised a seminar "Farming and Landowning in Southern Spain" at the Waldorf Hotel, WC2 last week.

They have just taken on a new farming consultant in Spain, Mr Quentin Agnew, ex-British army officer, whose Spanish mother is from the Larios gin family.

He is a beef farmer on his 900 acre hill and pasture finca near Algeciras.

For those seriously interested in spending around £50,000 to £100,000 plus there was a seminar last week when the speakers included Mr Agnew, consultant director to the Game Conservancy, Mr Charles Coles, and co-agent Mr Tim Jackson-Stops, chairman Jackson-Stops and Staff, whose head offices are in Curzon Street, W.1. For a portfolio of places from around £30,000 plus conversion costs to some nearer £1m, contact Mrs Jennie Pinder, UK managing director, Fincasol, 4 Bridge Street, Salisbury, Wiltshire (0722 26444).

My favourite is a vineyard about 4 km from the old Roman road with its ancient sulphur baths at Sabinillas, five minutes from Manilva. In an idyllic 12-acre setting there are four stables, 200 laying chickens and 40 avocado trees. The owner, successful property developer Mr Bill Kessel of Villacana (a smart complex by the sea near Estepona), who uses it as a week-end hideaway, presses the grapes himself before bottling the sweet red Muscatel-type wine. I siphoned my own through a plastic pipe from the barrel in the *cave*, to drink with a splendid *paella* cooked in a giant pan over burning vine twigs in the gardens with their banana and tobacco trees.

Palm trees lead to a swimming pool, and the attractive house retains its authentic Spanish flavour coupled with modern amenities. But as it is so deep in the hills there are a few occasions when the steep access lane off the main Cadiz road is impassable except on horseback. The asking price is in the region of £176,000.

San Francisco, in a superb situation 15 kms from the coast, is hidden among an orange grove of 2,000 trees. The former home of film star Stewart Grainger. It owes most of its current opulence to Mr Douglas Fischer, British businessman who started Flanagans and the Contented Sole restaurants in London's West End.

Exotic Hollywood-Moorish in style built around a central courtyard, the farm buildings were once a *posada* (ancient inn for travellers), where mules and horses were stabled, and their riders slept on the floor in one big room around a log fire. The 500-hectare estate includes two barns, a chicken hut, goat pens (the local goat is extremely resilient, eating anything and needing to drink only every 36 hours), six derelict cottages, and the price around £1m.

Foldaway living

"FOLD-AWAY" living could be an appropriate catch phrase for the innovative Studio Two, 500 of which are being launched on 50 sites throughout Britain this week by Barratt; it is a slightly larger version, suitable for couples, of their enormously successful Studio Solo, of which over 2000 have been sold during the past year.

This latest one-room living unit includes a double bed which folds away into the wall, fold-up dining table, breakfast bar which fits into the fold of space between the broom cupboard and the kitchen sink, and a long, low seat which tucks neatly under the window.

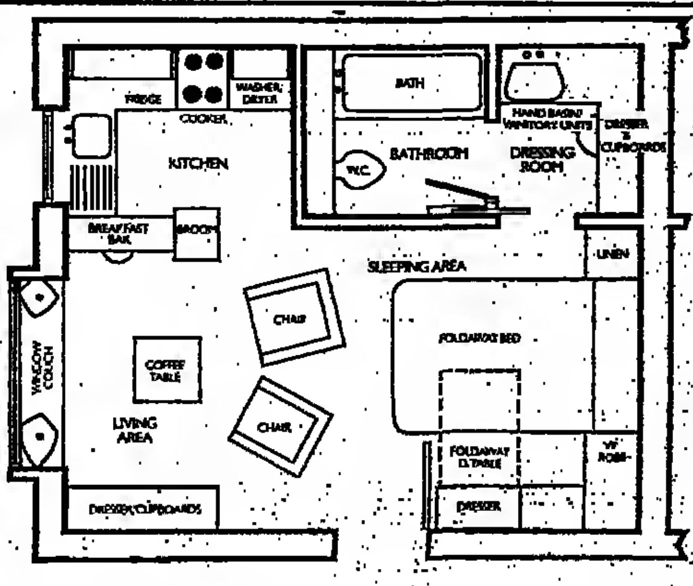
All this plus armchairs, coffee table, carpets, curtains, cooker, refrigerator, washing machine and wardrobe units, as well as a fully fitted bathroom and kitchen, incorporated into a space 18 ft 3 in by 14 ft 9 in, which means living tidily.

"It has been designed as an almost complete ready-made first new home for two people," explains chairman Sir Lawrie Barratt, who says the provision of the basic amenities does away with the worry of often crippling hire-purchase payments right from the start.

"And it comes with our full package of purchaser-aids—no legal costs, stamp duty or survey fees to pay, plus 100 per cent mortgages subject to status, which are usually cheaper than rent, and mean that you have something to sell or exchange when you move up the ladder of home-purchase."

Running costs are low estimated at £3.75 a week for heating, lighting, cooking and hot water, all electric. Prices of the studio, depending on location, are from £15,500, which the company work out at an effective outlay of £23.20 per week after tax relief. Some at £26,500, which can be seen at Vale Gardens, Birbeck Grove, Acton, W3, could cost approximately £47 a week.

A full-size replica is also at the Army and Navy Stores, Victoria Street, SW1, and in other House of Frazer stores in Newcastle upon Tyne, Cheltenham, Aberdeen, Manchester and Birmingham.



TRAVEL

Elusive winter sunshine

BY SYLVIE NICKELS

A FEW YEARS back during a winter cruise in the Caribbean, I befriended an elderly Canadian lady who suffered from a chest complaint and was obliged to spend almost the entire journey in the air-conditioned regions of the ship. No one had warned her about high humidity.

It may seem a matter of common sense (how else could the islands be so luxuriantly green?) but why isn't this kind of advice given when you buy a quite costly package?

Happily things are changing. At that time you could count on the fingers of one hand those tour operators whose brochures gave any worthwhile guidance on winter climate.

Now most of those featuring long-haul destinations include at least a small panel on climate, and some a great deal more. There remains room for improvement. Humidity is still neglected by some, though monsoon periods are usually indicated, while others quote one set of max/min temperature figures for an entire country.

Egypt — perhaps the closest to us of the truly warm-weather winter destinations — is a case in point. Speedbird is among the few to point out the considerable differences between the average maxima of Cairo and Upper Egypt (up to 17 degrees in February) and that there is a marked chill in the desert air at night.

Speedbird also has some rather disarming snippets headed "Worldwise" warning against hawkers of precious stones (Thailand), the effects on bathing of tidal idiosyncracies (Mombasa), negative aspects of self-drive (appallingly signposted roads in Mauritius) and so on. Both Kuoni and Rankin Kuhn (the latter's programme now incorporating many of Thomas Cook's long haul holidays) give good weather charts covering max/min temperatures, hours of sunshine and average monthly rainfall. Rankin Kuhn also gives a helpful summary of pros and cons for most destinations. For example Sri Lanka is "very beautiful for the imaginative traveller" but definitely not for the swinging and sophisticated."

It is a good idea to read the weather charts in conjunction with some of the very tempting special offers available between specified dates. Few apply to periods of the most ideal weather, and it would be unreasonable to expect it. That said the bargains are well worth considering: for example, a third week of free accommodation in many places; better rooms at lower prices; the waiving of single room supplements. Honeymooners often come in for special treatment and, in quite a few resorts, sports facilities are either free or at much reduced costs (Speedbird, Kuoni, Rankin Kuhn), in some cases on a year-round basis. There are good travel offers at the UK end of the journey, too, such as first class rail travel from any mainland station to London for £10 return (Speedbird and Kuoni) or reductions on some domestic flights (Rankin Kuhn).

But now for a few specific suggestions, which can only represent the tip of the winter sun iceberg. If you want something rather more than a good beach with climate and hotel to match — in other words, a deeper knowledge of your host country — it's worth seeking a tour operator who is thoroughly familiar with all its foibles. In the case of India, Cox and King's credentials go back 224 years and they have an entire programme devoted to the sub-continent. A new combination links the highlights of South India with those of Sri Lanka on a 17-day tour (£1,396) with the option of an extension on the escapist islands of the Maldives.

Kuoni, who pretty well cover the world, is a major and experienced operator in South America, and is pinning particularly high hopes on Brazil which they assert is actually getting cheaper.

Rio de Janeiro is the focal point for a number of tours, and there's a fabulous-sounding South American Panorama itinerary which traverses the continent, visiting Peru, Bolivia and Brazil. It features the Amazon, Inca civilisation and much else in 22 days (from £1,950, mostly on a b and b basis, but including excursions). An optional six-day extension in Rio adds about another £130.

Bales Tours embrace the world too, though with the greatest emphasis on the Middle and Far East. China is one of their well-established stamping grounds and a March departure combines the considerable contrasts of China, India and Nepal on an escorted 22-day tour (from £1,899, full board throughout). A February departure to India and Nepal (17 days, £1,559, escorted, full board) concentrates on wild life.

But another Bales forte much closer to home is Egypt where a 15-day escorted arrangement costs about £1,000, including Nile cruise and full board, or an economy version, without cruise and with half board, about £650.

Rankin Kuhn, with its Thomas Cook affiliations, also now features Egypt in a big way, but has always been particularly strong on the Caribbean and East Africa. Those who think one Caribbean island is much like another can try a two-centre arrangement linking, for example, sophisticated Barbados with the more exotic landscapes but simpler life of St Lucia. In Kenya there is a wide choice of beach and/or safari holidays, the combination priced at £1,000-£1,350 for 21 days depending on accommodation and type of safari chosen.

Among Speedbird's worldwide offers are five days of luxury on board the Maharajah's Train, pulled by veteran steam engine on an itinerary round Mughal India. This is part of a 12-day tour (from £1,625) with optional extensions to Nepal and Goa. In the Gambia, Speedbird actually guarantees the sun to the extent of refunding you £12 for each complete day without sun and a minimum of 2 mm of rainfall. At £400-£450 for two weeks' half board, this sound like a fine opportunity for winter escapism.

A final suggestion comes from Red Sea specialists Twickenham Travel, with loads of windsurfing and scuba diving possibilities in Israel's smart Eilat and the newer, less sophisticated and now-Egyptian resort of Nueba Village.

Further information: Speedbird, 152 King Street, London W6 0QU; Bales Tours, Bales House, Barrington Road, Dorking, Surrey RH4 3EJ; Cox and Kings, 46 Marshall Street, London W1V 2PA; Kuoni Travel, Kuoni House, Dorking, Surrey RH5 4AZ; Rankin Kuhn, 13-17 New Burlington Place, London W1X 2LB; Twickenham Travel, 84 Hampton Road, Twickenham TW2 5QS.

BOOKS

Brother Charles

BY ANTHONY CURTIS

Stranger and Brother
Portrait of C. P. Snow
hy Philip Snow.
Macmillan £8.95, 206 pages

C. P. Snow's first novel in the *Strangers and Brothers* series appeared in 1940. The early chapters of this portrait (which aptly appropriates the title) by his younger brother Philip fills in the family background from which that book sprang. The character of George Passant, a permissive liberal, the first formative infinence on Lewis Eliot, is identified as Herbert Edmund Howard, the Leicestershire schoolmaster, who remained a friend of Snow'a until his death.

Philip Snow also paints a valuable portrait of Snow père and mère. The father William Edward Snow was a clerk in a boot and shoe factory, and a gifted church organist. The family lived in a semi-detached house, too small for the four sons, which his wife Ada bore him. Charles Percy Snow was second in line, alwaya known as "Percy" until on his marriage to Pamela Hansford Johnson in 1950 he became "Charles."

The boys went to Alderman Newton'a, the local secondary school, and Charles's first writing appeared in The Newtonian of which he became editor. As well as excelling in his academic work across the board, he was a keenly competitive games-player with a passion for cricket, table-tennis, billiards and chess. He was the first boy from Newton's to go to a university when he entered the newly formed chemistry and physics department of University College Leicester. From there, in 1928, he gained an MSc, as an external student of London University, and a studentship of £200 a year which took him to Cambridge as a graduate student at the age of 23. By 1930 C. P. Snow was a fellow of Christ's College.

As a novelist he stayed pretty close to present realities; it is both his strength and his weakness, and the rest of his life-story may be read in a cryptic form in the chain of novels: the failure of his scientific research, his involvement in Cambridge politics, his hero-worship of the Cambridge Orientalist, C. R. C. Allberry killed in the RAF (who appears in the sequence as Roy Calvert). Then his work in Government, among the boffins during the war and among his fellow peers, when briefly he became a junior minister in Harold Wilson's first administration. With the total candour that typified all his utterances, Snow, the Labour Minister, replied to a question in the Lords from David Eccles to the effect that be was intending to send his own aon to Eton. The question was a nasty swerving ball that caught the ontside edge of his straightest of bats.

Philip Snow's ably written book re-runs these events from an interesting new angle, that of the sibling who partly followed the trail that his brilliant older brother had blazed. They remained in touch and on the most amicable of terms for the whole of Charles'e life. Philip was an undergraduate at Christ's when Charles was a young don and he gives entertaining close-ups of the other dons, people like Canon Raven, F. P. Bowden and G. H. Hardy whose enthusiasm for cricket was, if anything, even greater than the Snows'. On leaving Camhridge at the end of the war the author became a civil servant and was sent to the South Seas where be had a distinguished career as an administrator. At this period the brothers kept in touch by post and Philip prints several of Charles's long war-time letters.

These, if I may be ungracious, are the throbbing beart of the book. They show us Charles with the mask off. He is deeply attracted to women and there are frank accounts of several love-affairs; but these are not permitted to stand in the way of the great burning ambition to succeed as a novelist. Alongside the excitement of his growing acceptance as a writer and confidence in his powers there are global summings-np of the war situation, for the most part ahrewd and far-sighted. Suddenly, like some illusionist's trick, the ambitious late-literary-developer turns, around 1950, into the beaming, pebble-lensed liberal pundit, proclaiming the virtues of Magnanimity and the gospel of the Two Cultures, arousing the enmity of both Dr Leavis and Private Eye.

Charles Snow in 1929: a biography, by his brother Philip, is reviewed today

Philip Snow takes us briskly through much of this as it happened, but he stops to give a more timeless sketch of his brother's main characteristics. One that others have noted was Snow's high degree of mechanical ineptitude. Snow never learnt to drive a car. He even had the greatest difficulty in doing up a seat belt. Another (according to the author) was his hatred of, and reluctance to use, the telephone.

Here I must disagree. From 1970 to 1980, as the editor of this page I bad occasion to telephone C. P. Snow to discuss the week's new books, on average once a week. The only reluctance on his part I ever experienced was that of putting down the receiver and making an end to conversation. I think I probably learnt more about literature from those telephone conversations than any other single source. This was during the period when C. P. Snow was the Financial Times Chief Book-reviewer, a rolc in which he is still very much missed.

Smiling Tom

BY JOE ROGALY

Rules of the Game
Sir Oswald and Lady Cynthia Mosley 1896-1933
by Nicholas Mosley
Secker and Warburg. £8.95, 274 pages

The English political system is an invincible machine whose principal purpose appears to be the rejection of radicals: this has long been England's curse, and intermittently England's hlessing. But was it really a hlessing the last time we had three million unemployed and most of industry in the doldrums — the time, half a century ago, when England's policy refused to swallow either Sir Oswald Mosley or his radical ideas?

If we are talking about Sir Oswald — Tom to his friends— the answer is an easy affirmative, and not only in consequence of the repugnance still aroused by his post-1933 assumption of the role of leader nf the British Fascists. If we are talking about the radical ecooomic policies he espoused, the answer is not quite so simple.

Put it this way: what are we to say of a man of high birth and no little wealth, who becomes a Labour minister, hero of the working man, and chief proponent of the nationalisation of the banks, central control over industrial policy and a tight inner cabinet — with a dash of protectionism thrown in? The resonanees bound across the 50 years, from the last depression to this one.

Mosley's pre-Fascist economic doctrines were approved of by Keynes, from whom much was borrowed, Aneurin Bevan, possibly Bob Boothby, John Strachey (who did much of the drafting) and others of later respectability. This is hardly surprising: the essence of it was the expenditure of money to reflate the economy, a notion that is hardly radical today, however unfashionable it may be.

But then, as now, there seemed no way of making such ideas work without a strong central economic council which Mosley's opponents argued with some justice would lead to the rule of England by "Five Dictators." The Labour Left of the 1980s is, to say the least, ambivalent about its attitude to authoritarian rule but, with the exception of a current aversion to control over wages, it has more in common with pre-1933 Mosley than with the 1982 Labour Right.

Let us follow this thought a little, taking the earlier, Mosley, track. It is clear from his son Nicholas's account that "Tom" Mosley was a vile man: cruelly ruthless in his pursuit of women; hypocritical in his baby-talk love-letters to his first wife, Lady Cynthia (to the reader of this riveting account she plainly died of a broken heart); vain; and breathtakingly arrogant in his assumption that he was a special being, the stuff of whom legends are made. Perhaps it was the latter that saved us, for his fatal flaw was that he would not stoop to petty politicking as a means to power, but waited for England to come to him.

Yet this picture of a monster, so clear from his son's honest attempt to paint something less ugly, would not have been recognised by Tom Mosley's 1930s contemporaries. He had charm; ladies found him immensely attractive, and if he wished he could flatter any male colleague into at least temporary agreement. He had charisma: he knew how to manipulate a mass meeting. He was clever, witty, energetic, good-looking, and possessed of a rational vision of the way out of the economic morass. England might have followed him: the consequences could have been awful.

We have no one of Mosley's crowd-pulling ability today, although we have a number of politicians possessed of seemingly reasonable radical solutions. We know who they are, and how much their opponents fear that an authoritarian régime would be an inevitable concomitant of their accession to power. It is a fair assumption that the arrogance to which Mosley was born would come to future British central controllers through the corruption of power. The putative Fascism of the extreme left is no less repellent than the known Fascism of the far right.

Mosley in 1918: his son's book traces his career up to 1933

Tea and cakes

BY ISABEL QUIGLY

Scenes from Provincial Life
by William Cooper. Macmillan, £7.95. 270 pages

Scenes from Metropolitan Life
by William Cooper. Macmillan, £6.95. 214 pages

Scenes from Married Life
by William Cooper.. Macmillan, £7.95. 250 pages

"'Tea and cakes!' he said in a hooming important voice in which one might say 'War and peace' or "Love and death!'" The perfect William Cooper observation, deflating all that's booming and important, and including, in few words, great abstract themes and lesser, solid pleasures. Cooper doesn't, himself, deal directly in war and peace or love and death (though obliquely he is writing about all of them).

Integrity demands what is now, but wasn't then, called a "low profile."

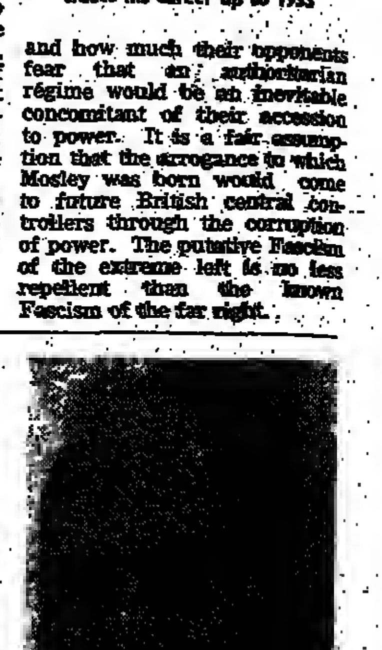
Which brings me to matters of then and now. *Scenes from Metropolitan Life* was the sandwich filling between *Scenes from Provincial Life* (1950) and *Scenes from Married Life* (1961), chronologically in the story of Joe, Myrtle and Robert, and in "real life" Mr Cooper wrote it in the 1950s. Until now, it has remained unpublished. "For legal reasons," says the blurb. Well, if you recognise one at least of the main characters, that's hardly surprising.

Putting down a novel (in a vinous sense) and publishing it about 30 years later has odd effects on the reader, psychological and even psychic. A sense of *déjà vu*, of course. But of surprise as well and, in this case, exhilaration. Has *Scenes from Metropolitan Life* dated? In the sense that it is a period piece, of course it has. In the sense that it is no longer acceptable, affecting, credible, persuasive, artistically in good order, no. It comes up gleaming.

The three novels are now published together and so can be read as a whole. Because they were written (though not published) in the right order (*Provincial*, *Metropolitan*, *Married*), everything falls into place. Time, which seemed a little strained and strung out between *Provincial* and *Married*, now falls into place, gaps are filled, chronology is satisfied, or perhaps just satisfactory. With a touch of the old photograph album about them, but more than a touch of an original comic genius, they are extraordinarily readable. At one level you can romp through them, at another linger, ponder and choose.

To write so simply, yet with such exactness, demands a high degree of understanding. Of what goes on inside the people so plainly put before us. (Cooper's staccato style is catching.) Things must be exactly right when there's no disguising waffle, no descriptive cushioning. The average sentence is about six words long. *It* is composed, as a rule, of facts. These facts may he about states of feeling. Very occasionally they may balloon into speculations, observations on the state of things in general —the heart, the soul, the universe. But not often. Generalising is generally discouraged.

The first novel, *Provincial*, has schoolmastering Joe in 1939, teaching physics at a grammar school, and his great and grand friend Robert, another physicist, offstage at Oxford; plus Myrtle, Joe's mistress who wants marriage, homosexual Tom, and young Steve, protégé rather than lover. The second, eight years later, the newly published *Metropolitan*, eliminates Tom and Steve, keeps Myrtle (now married, but whom Joe now wants to marry), and brings Robert into the centre. High-powered scientific civil servants, middle-aged heterosexuals but still unmarried, drinkers, party-goers and even dancers of a rather ludicrous sort, Joe and Robert have problems over women — perpetual, engrossing, seesaw; and over their jobs and the novels they are writing: when can they give up the first to concentrate on the second? *Married* predictably settles them at last into domesticity and fatherhood. "I had got a wife," Joe broods on the last page; "I had got a baby; and now it appeared I had got to get a house. . . ." *Scenes from Provincial Life* mattered to writers in the 1950s and 1960s, to the development of the post-war novel in England. Realism, irreverence, a conventional but lowly social setting, the decencies and joys rather than the glories of feeling, of sexuality, of friendship, a deflationary rather than inflationary emotional mood: these signposted one of the ways in which things fictional were to go. *Metropolitan* and *Married* are in the odd position of having heroes with similar attitudes but another lifestyle: up in the world but not quite a part of its importance and its boom.



William Cooper: novel recorded after 30 years

Jardine story

BY JOHN MAKINSON

The Thistle and the Jade: A Celebration of Jardine, Matheson & Co.
edited by Maggie Keswick. Octopus Books. £18.00. 272 pages

The Thistle and the Jade charts the development of the greatest of Hong Kong's trading houses, Jardine Matheson, from its early beginning in the shadow of the crumbling East India Company, to the present. But the real theme of the book, crisply described by its title, is the uneasy and shifting relationship between a tightly-knit group of entrepreneurs from the lowlands of Scotland and the markets of the East which provided tbeir prosperity. With the clock now tickiog away loudly in Hong Kong, the subject coold hardly be more contemporary.

The hook's publication, however, was timed to coincide not with Mrs Thatcher's visit to Peking but with the 150th anniversary of the company. Appropriate to the occasion, it is lavishly presented and illustrated, pictures of sternly staring Scots alternating with colourful portraits of rural and maritime China.

The 10 essays which make up the volume are edited by Maggie Keswick, whose family trace their lineage back to the original William Jardine. With this pedigree, the book reads like an authorised version of *Tai-Pan*, the best-selling novel by James Clavell centred loosely on the Jardine story.

The company's history has been exceptionally well documented and its archives have provided an abundant seam of scholastic material. Contributioos to the book range consequently from the academic to the anecdotal, and from the general to the particular. The opium traffic, the shipping business, the relations with "comprador" agents in China are all described in detail.

The over-riding general impression to emerge is of versatility. By 1870, for example, the legalisation of Chinese opium threatened to destroy the lucrative trade which Jardines was generating from this doubtful source. Rather than press on, it withdrew from the trade and turned to docks and railways, cotton mills, mines, shipping and banking.

In 1961, when Jardines' shares were offered to the public for the first time, the offering prospectus described the company as one

"whicb participates widely in the commerce and industry of the Far East, in the merchanting of imports and exports, the distribution and servicing of engineering products, the shipping industry, air transport business, insurance, investment management, agency business and general merchant adventure."

The last pbrase alone might perbaps bave sufficed.

Yet, while Jardines may owe its success to a spirit of commercial adventure, it owes its survival to the canny Scots conservatism which permeates the 150 years of the company's history. Faced with the closure of a major market, as in China after 1949, a run on a major commodity or the sudden imposition of uncomfortable tariffs, a trading company needed to be soundly financed. During the banking crisis of 1865, which swept away Dent and Co., Jardines' great rivals, the company was liquid enough to pull through.

The candour about Jardines' early history does not always extend to the recent past. A blow-by-blow account of how, in late 1980, Jardines was forced into a costly but iron-clad partnership with its long-standing associate, Hongkong Land, would have made fascioating reading. But details of that intriguing drama, which saved Jardloes from a takeover by Hong Kong Chioese loterests, may bave to walt uotil the 200th aoniversary.

CHESS

LEONARD BARDEN

MANCHESTER'S Benedictine international, the most important annual competition in the North, has a rare reputation among chess tournaments of being a gourmet's delight. Distinctive cuisine at Allen Hall and the sponsor's flowing liqueur at the prize ceremony play a significant part in the growing popularity of this event, now in its fifth year. So many late entries had to be turned away this year that another international was set up in London from the players who could not be accepted for Manchester.

Tony Miles, already winner of the Grieveson Grant British Championship and the Lloyds Bank Masters, completed his hat-trick at the Benedictine, though he had to share first prize and concede the trophy to the U.S. master Kudrin. Miles's definite victory came in the final round when he defeated Nigel Short for the first time since Short was an 11-year-old prodigy. The defeat left Short, who had an excellent tournament, tied for third place level with one grandmaster and ahead of two others.

Final leading scores were Kudrin (U.S.) and Miles (England) 7½ out of 9, Short (England) and Forintos (Hungary) 6½ Hebden, Horner and Smith (England), Popovych (U.S.), Parameswaran (India) and Motwani (Scotland) 6.

Like several other young British experts, Nigel Short likes to use the so-called "English Defence" based on an early fianchetto of the queen's bishop at QN2 coupled with delayed development of the king's knight.

This week's game illustrated the flexibility of the English Defence against any opponent who tries to refute it. White signals aggressive intent by castling long on move 8, but the effect is to set up his own king as a target which Short opens up by pawn sacrifices. The black knights provoke weaknesses in the white king's defences to such effect that Black's decisive break-through comes before White has even started his own action on the other flank.

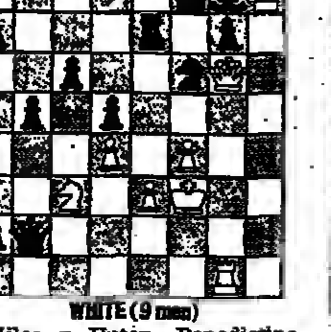
White: A. Muir (Scotland). Black: N. Short (England). English Defence (Manchester Benedictine 1982).

1 P-Q4, P-K3; 2 P-QB4, P-QN3; 3 P-K4, B-N2; 4 B-Q3, B-N5 ch; 5 B-Q2, BxB ch; 6 QxB, P-KB4; 7 N-QB3, N-KB3; 8 O-O-O, O-O; 9 P-B4, P-QN4; 10 PxP, P-QR3; 11 P-K5, PxP; 12 BxNP, P-Q4; 13 PxP en passant, PxP; 14 N-B3, N-R3; 15 Q-K2, N-QB2; 16 B-B4, BxN; 17 QxB, P-Q4; 18 B-N3, Q-Q3; 20 P-N3, KR-N1; 21 R-K1, K-R1; 22 R(1)-K2, N-B3; 23 Q-Q3, N-R3; 24 Q-K3, N-K5; 25 NxN, BPxN; 26 K-Q1, N-N5; 27 P-QR3, Q-R3; 28 B-B2, N-B3; 29 B-N1, Q-B5; 30 P-QN4, NxNP; 31 PxN, RxR; 32 R-QN2, RxP; 33 Q-B1, QxP ch; 34 Q-Q2, RxB ch; 35 Resigns.

BBC2's annual Master Game series is replaced this year by a chess "World Cup." The games were played in Hamburg, covered live by the cameras, and are screened every Sunday afternoon. The results have already been widely reported on the continent, but most viewers prefer to be kept in suspense so I am not giving them here. There were two preliminary sections: Bouaziz, Karpov, Nunn and Seirawan in Group A with Lobron, Spassky, Timman and Torre in Group B. The two section winners meet in the final. A fast time limit (one hour per player per game, with 15-minute play-offs for ties) provided a high proportion of decisive results, aod for British viewers there is the special interest of John Nunn's encounters with Anatoly Karpov.

POSITION No 444

BLACK (10 men)

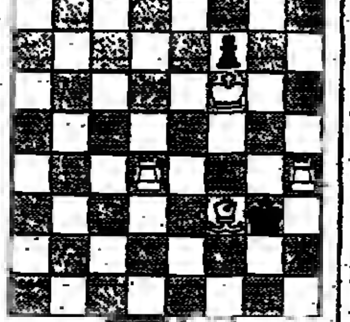


WHITE (9 men)

Miles v Upton, Benedictine international 1982. Grandmaster Miles (White, to move) is rook for bishop and pawn ahead, but Black seems to have useful counterplay with his roving queen and well-placed rook. White's winning move is not easy to spot, but the later play shows its logic. How should the game go?

PROBLEM No 444

BLACK (2 men)



WHITE (4 men)

White mates in four moves, against any defence (by K. Junker). Earlier solvers have found this problem difficult, in spite of the few pieces and the absence of black defenders. The pawn is still on its starting square.

Solutions, Page 14

BRIDGE

E. P. C. COTTER

RECENTLY PUBLISHED is Find The Mistakes (Gollancz £6.95) by the late Eric Jannersten, a book which you must add to your bridge library. Each of the 73 deals is played by the declarer with little skill but with a successful outcome. You are asked to point out the errors committed by the declarer, which are not shown up because the contract is fulfilled. You turn over the page, and find that the lie of the cards is somewhat different, and that now real technique is needed to bring home the contract.

Let us look first at this:

N
♠ 6 4 2
♡ A Q 8 4
◇ 6 4
♣ 7 5 3 2

W
♠ J 9 5
♡ 3 2
◇ Q 10 9 5
♣ Q J 10 9

E
♠ Q 10 8 7
♡ 7 6
◇ A J 8
♣ K 8 6 4

S
♠ A K 3
♡ K J 10 9 2
◇ K 7 3 2
♣ A

South, the dealer at love all, bids one heart, and goes to four hearts after a single raise from his partner. West leads the club Queen, South wins, and crosses with a trump to dummy's Queen. He returns a diamond, puts up the King which holds, and leads back another diamond. The Knave wins, and although East returns a trump, the declarer can ruff two diamonds and make his contract with an overtrick.

Leaving the fool's paradise, we turn over the page and discover that West held four diamonds to the Ace, Queen and three trumps. He captures South's diamond King and leads a trump, and returns another trump when he takes the next diamond. South can now ruff only one diamond.

Correct technique ensures the contract. At trick two South leads a low diamond. West wins, and leads a trump, but this is not fatal. Winning on the table, South leads dummy's last diamond and puts up his King when East plays low. West wins, and leads another trump, but South cannot be prevented from ruffing two diamonds and making ten tricks.

Try your hand at this:

N
♠ A Q J
♡ A 5
◇ 9 6 4 3 2
♣ Q 4 2

W
♠ 7 5 4
♡ J 10 9 7 6
◇ 8 5
♣ A 9 6

E
♠ 9 6 3 2
♡ Q 8 4 2
◇ Q J 10
♣ K 7

S
♠ K 10 8
♡ K 3
◇ A K 7
♣ J 10 8 5 3

With both sides vulnerable, South deals and bids one club, North says one diamond, and raises the rebid of one no trump to three.

West leads the heart Knave. Deciding rightly that there is no time to establish clubs, declarer plays on diamonds, cashing Ace and King, and following with the seven. East wins, and returns a heart, but South gets home with three spades, two hearts, and four diamonds.

Let us come back to earth. This deal occurred in a match, and diamonds were divided 4-1, West holding the singleton eight, and East Queen, Knave, ten, and another. One declarer played as above and went down, but the second declarer saw that it cost nothing to play for the extra chance that West had the singleton eight. At trick two he led dummy's diamond nine, intending to let it run. East, however, covered with the ten, and the King won. When the eight appeared on his left, South crossed to dummy with a spade and led another diamond. East played low, and the seven won. Had West taken the trick, the suit would have broken 3-3.

Professional Fowles

BY GEORGE WATSON

Mantissa
by John Fowles. Jonathan Cape. £6.95. 192 pages

The Muse of Literature, Erato, beds the hero Miles Green in a variety of disguises. But she will talk: women always do.

The new Fowles is easily his funniest book; and what it makes fun of, apart from women, is literary modernism. Do authors really control their own personages? Sixty years ago Pirandello wrote a play in which six characters refuse to act the roles their dramatist had written for them. Here, a heroine tries to tell a novelist bow to portray his women, and is seen off in a series of pastiches; the school of Joyce and the *nouveau roman* all mercilessly parodied. Modernism is not dead, then; but it is made to wish it were.

Sterne wrote a novel about how difficult it is to write a novel. Mr Fowles has written one about how difficult it is to make love in fiction, and perhaps even out of it.

The story is erotic without arousal. Mr Fowles writes in a cool, classical mode which begins to look like the mark of English fiction in the 1980s: a sort of permissive version of Jane Austen. That, in a way, is the world we are in. We have not, as a people, abandoned the claims of realism. We know and describe the social worlds we inhabit. It is just that the world is a different place.

Mantissa is a learned book, then, and derisive about learning, or at least half-learning. Imagine Jane Austen giving a novel a Latin title, or tricking one out with epigraphs from Descartes and Marivaux.

Fiction, as Mr Fowles has evidently sensed, could not have survived the grinding tedium of the *nouveau roman* for much longer. "Death of the novel, that's a laugh," Erato tells her lover, complaining, as the goddess of fiction, about the depressing liveliness of English fiction nowadays. "At least the French are doing their best to kill the whole stupid thing off for good."

Modernism is evidently hilarious fun to Mr Fowles, and Erato bores her lover between amorous bouts with talk that makes her sound as if she half-remembers an Open University course on Pirandello, Joyce and Robbe-Grillet. Her pathetic aspiration to have read Honours English at Cambridge may be seen as the worst jibe her creator has in store for her. Women's Lib is pretentious mummery, so we are given to understand, and we all know what it is that they really want.

Mr Fowles has shaken off the solemnity of his earlier novels, especially the dry, plodding style of *Daniel Martin*, whose sad fate may have been a warning to him. This is a new and riotous mood. If the book is seldom witty, in a memorable sense, it is certainly well loaded with belly-laughs.

"Serious modern fiction has only one subject: the difficulty of writing serious modern fiction," Erato's lover lectures her among the bedclothes, explaining how deconstructivists have proved that there is no connection between author and text. To which she cutely replies: "Why do writers still put their names on the title-page?" There is no answer to that.

George Watson is a fellow of St John's College, Cambridge, and editor of "The Cambridge Bibliography of English Literature."

Other Olga

The Correspondence of Boris Pasternak and Olga Freidenberg, 1910-1954
Secker and Warburg, £15. 365 pages

There was Olga Ivinskaya, who was Pasternak's close companion for the last 14 years of his life and suffered for it by two spells in Stalin's concentration camps. Her story is told in her book *A Captive of Time*.

Now it is the turn of Olga Freidenberg, his cousin, whom he rarely met for most of his life after being in love with her.

Heretical as it may be to say so, Borya's letters (to use their affectionate diminutives) are a bore, Olga's are pure gold. His are rambling, selfish, hypochondriac, hypocritical. Hers—in particular the excerpts from her diary—are a true and moving account of intellectual and physical persecution.

There is a courage and a despair about her struggle to cope with the mental debasement brought about by Stalinist hacks, that contrasts cruelly with the refusal by Pasternak (so far as one can judge from this book) to lift a finger to help her.

Even on her final sick bed he could not bring himself to go and comfort her.

As early as 1924 Olga had confided to her diary a previous attempt by Pasternak to send her money:

"to accept these alms, this sop, this payment for blasted hopes—no never! . . . In a word, Borya had only increased our woe."

Pasternak was playing safe, surviving in an era when so many others perished. And neither of the two Olgas deserted him: such is the privilege of genius.

REX WINSBURY

HOW TO SPEND IT

by Lucia van der Post

IF there is one thing that has emerged clearly in the past about How To Spend It page readers, it is that you like doing things—whether it be cooking, sewing, knitting, going on holiday, taking up new hobbies, picture framing, learning to manage your finances—whenever activities are mentioned on this page there is a huge response.

This week, it being autumn, the time of year when the clocks are about to go back, it seemed a good idea to offer another of our free knitting patterns.

The jacket has all this autumn's fashionable hallmarks—the slightly puffed leg-of-mutton sleeves, the frills down the front, the narrow waist and flared peplum.

Unlike our last pattern, this one is extremely easy to knit, the basic stitch being stocking stitch with garter stitch ridges for the peplum, frills and neck. Sirdar chose Sirdar Nocturne for the style—a soft mixture of 77 per cent mohair, 13 per cent wool and 10 per cent Bri-nylon, it comes in 21 very soft, lovely colours. The model Sirdar knitted for us was done in a soft crushed raspberry pink and readers who would like to see it ready made-up will find it in the ground-floor knitting department of Dickins & Jones, Regent Street, W1.

Sirdar Nocturne costs £1.68 per 25 gm ball and the 34 in bust size will take 19 balls (total cost £20.52) and sizes 36 in and 38 in will take 20 balls (total cost £21.60). The wool can be bought from Sirdar stockists throughout the country.

For a free pattern to knit up your own jacket either send a large sae to Knitting Pattern, Financial Times, 10 Cannon Street, London EC4 or you can pick one up in the knitting wool department of Dickins & Jones.

Fair play at Chelsea

ABOUT THIS time last year I urged readers who either lived in London or were prepared to give up some time to making a special trip to London to pay a visit to a crafts fair being held in Chelsea Old Town Hall, Kings Road, London SW3. Many of you, as well as hundreds of others who had heard the word, clearly went along, for the fair was an outstanding success, with over £100,000 worth of crafts changing hands. If you hurry, you will just catch this year's fair which is on today, tomorrow and Monday from 11 am to 7 pm (£1 entrance for adults, 50p of children and pensioners).

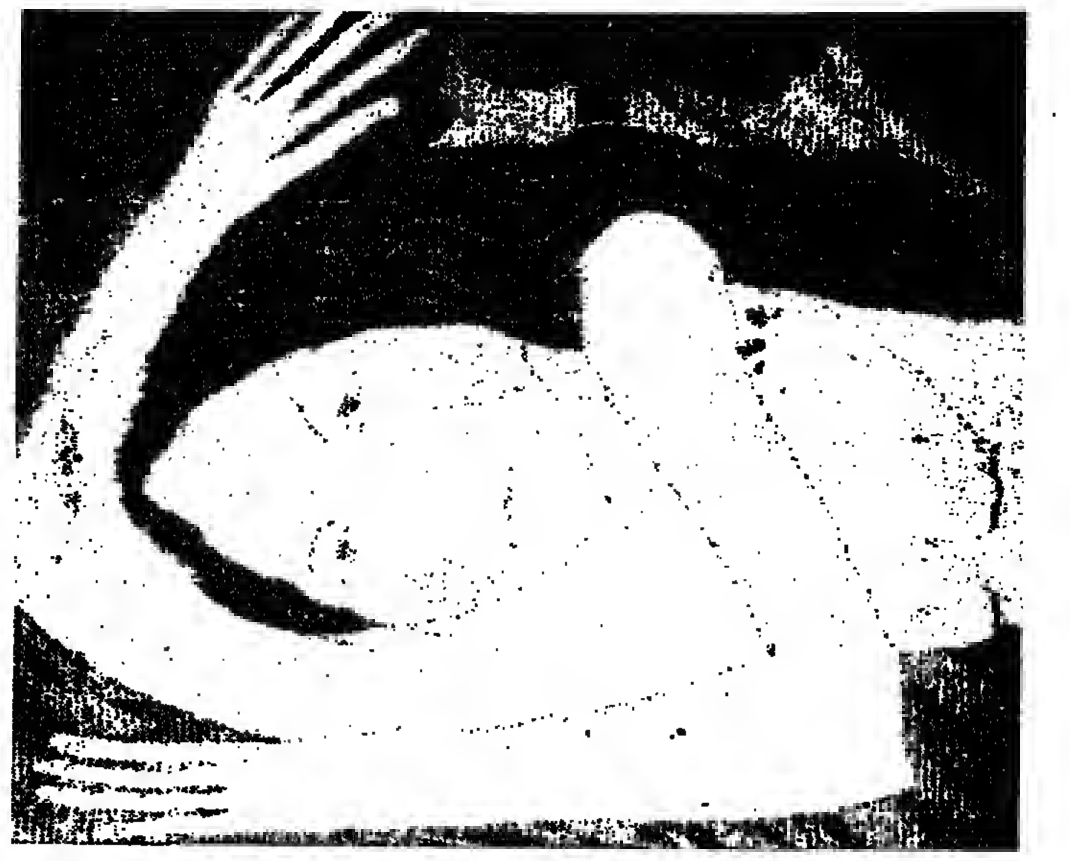
The original idea for the fair began with Lady Powell, whose energy, enthusiasm and discerning eyes, have turned what could be yet another showplace for more crudely made pots and heavy dirndl-like textiles into one of the most sought-after showplaces for contemporary work in the country.

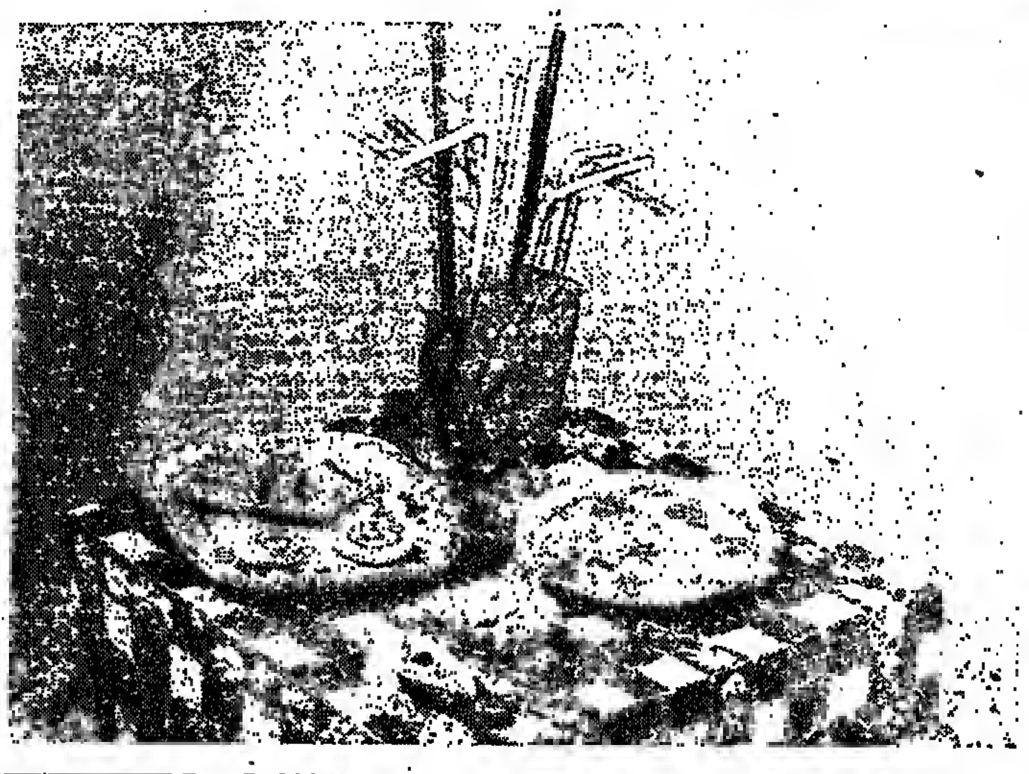
Lady Powell correctly perceived that the chief problem with the crafts was getting across to a potential public just how fine, how eminently usable and desirable, much of their work is. She also knew that if they were going to be able to go on doing their work they would need a public ready and willing to support in the only way that matters—by buying the pieces they like.

As Lady Powell herself puts it, "We, who are putting on the fair, want to make it easy for the public to see the work and buy directly from the people who design and make it."

The organisers take no commission on craftsmen's sales and financial help has been given by The Crafts Council and Marks and Spencer.

Anybody looking for an early Christmas present or two, or just wanting to buy a very special present for one reason or another, should go along to the fair. There are very large, beautiful and expensive things, like Peter Akass's four-poster bed with a finely-wrought steam-engine running round the top of the rails, for £3,000. There are plenty of medium-priced presents to buy—things like patchwork quilts, exquisite bowls, jumpers from a whole series of hand and machine-knitters. And then there is a selection of really very inexpensive things—Martin Phillips' little bow necklaces for 70p, Jonathan Heale's woodcuts on hand-made paper for between £2 and £3. There are pieces by such renowned crafts people as Richard La Trobe Bateman and Peter Collingwood as well as unknowns.





ABOVE, one of Lynne Curran's very striking tapestry pictures. Her work is far removed from the cosy prettiness that is the hallmark of much of the tapestry being done today—as you can see from the picture, above, Lynne uses powerful images in her work, which linger on in the memory. Above is just a detail from one of her largest tapestries—it measures 56 ins by 46 ins and costs £1,750. However, she does many smaller tapestries and her prices start at £70. If the prices seem high, remember that many of her tapestries take a long time to make—a picture of a girl in a red tunic, made in a mixture of wool, silk, linen and fine cottons took her six months to do.

LEFT is a ceramic table laid with an arrangement of colourful food and jugful of straws by Claire Ireland. It is £80.

BELOW is a spiral patterned pot, from the ceramics section, by Felicity Aylieff. It was inspired by a helter-skelter, is hand built from thin coils of white earthenware inlaid with coloured clays—turquoise, orange and pink—polished and burnished and then fired at high temperatures to give it a gentle sheen and make it waterproof. It is £170.

Postscript

I KNOW we're only just into October but there seems n large group of readers who believe in "shopping early for Christmas." For these highly-organised customers, yet nnother annual shopping treat is currently under way—Elizabeth David of Bourne Street, London SW3 (close to Sloane Square tube station) is having its annual sale. It has become n popular hunting-ground for the sort of presents that many people like to give, as well as n handy way of restocking the kitchen.

The shop has over 150 kitchen utensils on sale at price reductions between 35 per cent and 67 per cent. In addition nll the rest of the stock (and most of you know by now that almost everything that the Elizabeth David shop sells is handsome, useful and eminently desirable) will be reduced by 10 per cent until the sale ends on Saturday October 30.

Before out-of-London readers feel left out of it, let me hasten to reassure them that nlmost everything can be sent by post. Elizabeth David will send o photocopy of o list of sale items in return for o sae, or any reader who would like to discuss the sale offers can ring the shop (01-730 3123).

There is, for instance, as usual, o whole selection of Sabatier knives—at prices ranging from £1.15 (normal price £2.29) up to o serrated bread knife ot £3.45 (normal price £4.90), all of which can be posted easily.

There are beechwood pepper mills and salt shakers (£2.25 from £4.55), the traditional marmite ovenproof earthenware (3-pint size is reduced to £3.50 from £5.51). It is also n good oportunity to buy Le Creuset ware (though this is only available to personal shoppers as it is so hard to post). The shop is offering n set of five wood-handled saucepans with lids in either brown or volcanic colourway, complete with n wooden hanging rack, for £48.40, the normal price being £88.

●

The Burberry has long been an international status symbol, perhaps more sought-after by foreigners than the British, bnt now that the retail price is soaring into the hundreds, turning what was once a luxury into a long-term investment, Burberrys has decided to offer each new purchaser two-year's free insurance. In addition, one Burberry very often looking much like another, Burberrys also offers a personalised monogramming service. The insurance is valid from the date of purchase, anywhere in the world, and like the initialling, is all organised when you buy one. With the current cost of a Burberry ranging from £89.50 np to £225, it looks like the kind of service a Burberry customer needs.

●

WHEN I first come to London the bachelor flats of the city were awash with baths over which the young working man hung his drip-dry nylon shirt. It had seemed like the answer to n prayer. This was before the days when launderettes were to be found on every corner or when rented flats boasted their own washing-machines, it was the way the impoverished young man managed to get to work looking reasonably clean and decent.

Soon the flaws became apparent—nylon shirts were not, to put it mildly, very comfortable to wear. In fact, to put it even less mildly, most men found that they sweated inside them to an intolerable degree.

Now a German firm (alas, not British) has come up with the answer—a dripdry shirt made from 100 per cent cotton. Its ecstatic importer describes it as "the greatest innovation since sliced bread." I'm not sure about that but it certainly is good news. At the moment it is available in three plain colours—white, pale blue and beige—but other colours are in the pipeline. It comes in collar sizes from 14 inches to 18 inches with n choice of standard, extra-long or extra-short sleeve lengths.

They cost £17.91 each from Mayfair Ltd., 60, Neal Street, Covent Garden, London, WC2 (Tel. 01-240 2785) and can be posted for an extra 95p.

●

CURTAIN poles are nothing new—they've been prettily hanging up curtains in homes up and down the country for years—but Harrison Drape has had the good idea of introducing n new version in untreated wood so that n householder can paint the pole any colour he likes. Pastel colours are currently exceedingly popular and not too many manufacturers are selling poles to match—the Harrison version allows anybody to match any colour, no matter how subtle.

The poles come in four sizes (and, incidentally, for those who like their poles in natural wood or mahogany, these are available, too) 1.2m, 1.5m, 1.8m and 2.4m.

If you have ever wondered how exactly you paint a pole, a DIY broadcaster and writer, Stuart Burrell, has thought up just the method—you slide off the finials and the rings, drive n 1½ inch wire nail ½ inch into each end of the pole so that it can be rested on o couple of chair backs. It can then be rotated as it is painted using n 1 inch brush. The pole needs to be lightly sanded, given a coat of primer, followed by an undercoat and a topcoat. Use good quality oil-based paint with a polyurethane content as cellulose paint tends to dry too quickly.

To paint the rings you can either hold them by hand or hook them onto nails by their metal eyes to nllow them to dry.

The finials also present o slight problem—a good tip is to knock n pair of 1½ inch nails into on old piece of timber so that they project upwards. Hold the fininl by hand for most of the painting, then place it on the nail for painting the last tip.

Harrison curtain tracks are sold by most good department stores and furnishing departments.

When art and business meet

IT DOESN'T at first sight seem a natural partnership—one of our greatest pottery companies, Wedgwood, working hand in hand with one of our most up-to-date jewellers, Wendy Ramshaw—but on reflection it seems a startingly good idea. After all, the Wedgwood history has been one of the great success stories of all time and the company has a tradition of working closely with artists of the calibre of George Stubbs, John Flaxman, Walter Crane lo the last century and with people like Eduardo Paolozzi and David Gentleman in this.

However, Wedgwood has never before worked with a jewellery designer—until now the jewellery division has produced just the very traditional cameo brooches — and the collaboratioo really came about because Weody Ramshaw had, on ber own account, become very interested in the possibility of ceramics in jewellery. She already had a small kiln of her own whicb she has experimented with. She had made some beads and bad produced very detailed drawings of the sort of work she would like to produce wben it was suggested to her that Wedgwood could produce them to her exact requirements.

Thus the collaboration started. Wendy found that Wedgwood's fine-grained stonewares, Black Basalt (first developed in 1761 by Josiah Wedgwood) and Jasper (introduced six years later) were ideal for ber beads and discs in their many varied shapes and sizes.

Production of the beads required a great deal of skill from the craftsmen—they had to use 18th century hand processes, including throwing on the potter's wheel, turning on a lathe and, in some cases, band application of a liquid clay to create two-colour beads.

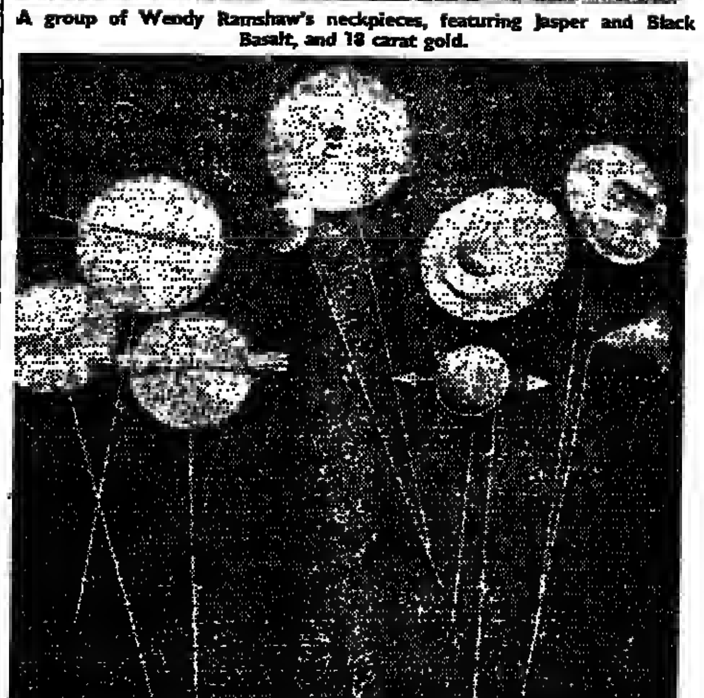
And so the whole collection came to life. There are more than 100 designs, including neckpieces, necklaces, pins, brooches and earrings. Some of the pieces are one-offs and are correspondingly expensive, while others, in particular the disc pins, are part of small-size editions and so are slightly cheaper. The Jasper and Black Basalt beads and discs are all assembled with either 18 carat gold or silver gilt and nickel silver wire and are often combined with semi-precious stones.

Anybody interested either in the jewellery for its own sake or in the project should go along to the new jewellery gallery at the Victoria and Albert Museum. Here it is displayed among some of the most stunning jewellery ever made, including pieces dating from the second millenium BC to those of the present day. It will be there until January 16 and between now and then several other shops will begin to sell the pieces—including the Wedgwood Shop at 32-34 Wigmore Street, London W1, Goldsmith and Silversmith Association, 44 Burlington Arcade, London W1, and Electrum Gallery, 21 South Molton Street, London W1.

Most of the pieces should be considered as collectors' items—after all Wendy Ramshaw is one of our most respected and successful modero jewellers and the techniques and skills required to make the pieces are formidable. Prices for the disc pins start at £65, for the necklaces at about £250. The most expensive of the necklaces is £3,195.

The jewellery itself is, I think, highly original, very sculptural and quite beautiful.

A group of Wendy Ramshaw's neckpieces, featuring Jasper and Black Basalt, and 18 carat gold.



A collection of Wendy Ramshaw's disc pins also made from Wedgwood's Jasper and Black Basalt stoneware combined with precious stones.

ARTS

Paying for plays

BY B. A. YOUNG

Last week, if life had been different, you could have read my paean for the BBC's Diamond Jubilee. One can't whip oneself up into the necessary mood of congratulation all the time, but at least, before the warmth dies, let me say that from the point of view of radio drama the moment has been very well observed. There have been new plays this week from David Pownall and John Wain; next week, with a great *embarras de richesses*, we shall have new pieces by Rhys Adrian, John Mortimer and Alun Owen on consecutive days, followed two days later by John Arden. I will write about these next week.

But before leaving the subject of drama, how right of the BBC to mark the moment with their competition for radio and television plays with a first prize of £5,000 in each category. Writing for radio and writing for television are individual arts that need special attention, and every effort to lure new people into them is welcome. Radio, as it happens, is rich in opportunities for playwrights, for there are a lot of self-contained "one-off" plays transmitted every week. Not so on television, where the emphasis falls more heavily on serials or series. If this competition is a sign that the BBC is anxious for more one-off plays for television, then it is more welcome than ever.

The closing date for the competition, which is fully publicised in the current Radio Times, is January 31, 1983. I must say this seems a little too soon. I suspect a lot of dust will be blown off old masterpieces from the bottom of drawers. Still, the judges in both categories have enough experience to pick out the veterans from the newcomers.

On Radio 1, and also on Radio 4, comes the history of pop radio in weekly parts. The first part dealt mostly with Radio Normandie, where the adventurous Captain Stephen Plugge, late of London Transport, began to send commercials to Great Britain in the early 1930s. (The first ever British commercial astonishingly, was for Spinks, the Bond Street jewellers.) It was from Normandie that children learnt to sing of themselves as Ovalteenies, where De Reszke Minors were described as "the ten-minute smoke for intelligent folk." The truth is that by today's standards it was all very respectable and proper; the announcers' voices of Max Staniforth and Bob Danvers-Walker were as correctly middle-class as if they had been wearing dinner-jackets under the eye of Sir John Reith.

The war put an end to Radio Normandie (whose formula was "No news, no talks, no opera or classical music" and who claimed 80 per cent of the listeners). Roy Plomley spoke a sad farewell, and then the whole caboosh was offered to the War Office for propaganda. The War Office declined it, so Radio International, using old material, broadcast programmes for "the troops in France," although they were only beamed to England.

When the U.S. forces came to Europe, the whole style of popular broadcasting changed (and it seems odd to me that Captain Plugge and his lot didn't learn more from American radio in the early days). Radio Normandie was bombed out, so after the fighting, Luxembourg took up the challenge. There were request record programmes, complete with jingles. There was even a Top 20 programme, but the position in the chart was based on the sales of sheet music. From Luxembourg you could hear Teddy Johnson and Pete Murray, Keith Fordyce and David Jacobs.

I didn't hear much radio when I was in Dublin last week, but I was slightly amazed by the Gay Byrnes Hour on RTE Radio 1, which spent two mornings on diseases likely to be caught by promiscuous homosexuals. This is from 10 to 11 a.m. One much-talked-of deviation was blandly described, and it was good to hear that it is not dangerous. And this in a nation where birth-control is illegal . . .

Sooner or later, the veterans of the air come out with their autobiographies. The latest is Norman Painting's *Reluctant Archer*. Mr Painting was Phil Archer for 30 years, but the more interesting parts of his book are about less inhibiting activities. He turns out to be a friendly, cultured man with a talent for gardening and for playing the harpsichord, and a desire to write stage plays (having already written, among other broadcast material, 1,200 episodes of the *Archers*). The book is published by Granta Editions (of Cambridge, naturally) at £5.95.

Antony Thorncroft reports on the ways and means of financing London orchestras

Strike up the band in the race for promotion

This is the time of year when the nation's orchestras and musical ensembles announce their plans for the forthcoming season. A ritual has developed. First, the good news of adventurous programmes, star soloists and conductors, promised treats; then the bad—a very frank and detailed account of the financial problems.

The London Sinfonietta, which specialises in modern music, has just revealed its plans. It will perform 12 new works in a busy programme which includes the finale of its ambitious Stravinsky festival. Then came the doleful financial details—a loss of £4,000 in 1982 and the likelihood of a £30,000 deficit for the coming season. Concentrating on the experimental and the new, which means more rehearsal time and smaller audiences, the Sinfonietta is an inevitable victim of rising costs and no real growth in Arts Council subsidy.

As the four major London-based orchestras—the London Symphony, the Royal Philharmonic, the London Philharmonic, and the Philharmonia—start the new season they repeat, to a greater or lesser degree the message of the Sinfonietta. And yet the four orchestras continue to flourish artistically and to plan ways into the future. Talk of the inevitable demise of one of them is less common than it was a few years ago and little now is heard of the Arts Council's plan for a heavily subsidised "super" orchestra, which would inevitably have killed off one or two of the quartet.

This comparative stability is all the more surprising because audiences at London's main showcase venue for the orchestras, the Royal Festival Hall, continued to fall last season. Initial estimates suggest an average decline of 7 per cent to 65.4 per cent in 1981-82. Much of the decline was concentrated at the end of the season and is blamed on the rail strikes and the Falklands. Surprisingly, the opening of the Barbican and the first monthly season there of the LSO in March did not affect attendances at the South Bank. For the second LSO month, in June, there was a sharp fall, but the LSO also noticed smaller audiences at its new home during that difficult month.

The main reason why the orchestras are more optimistic about their prospects is their success in marketing themselves, especially to commercial sponsors. Each has developed its own route to comparative stability; even if this only means that the overdrafts are not getting any larger.

Claudio Abbado, who has just been appointed music director of the LSO, with cellist Yo Yo Ma at a Barbican rehearsal.

For the LSO the major innovation has been its belated move into a permanent home in the Barbican where it will play three monthly seasons a year; for the Philharmonia a financial breathing space has come in the guise of a generous sponsor, Du Maurier, which supported it with £600,000 for two years and has agreed to provide a further £300,000 this season; for the RPO success with commercial records, in particular the album "Hooked on Classics" which has sold 6m copies worldwide, has enabled the orchestra to reduce its overdraft. Only the LPO is wrestling with a rising deficit but, in its 50th anniversary season, it has embarked on some imaginative ideas to attract commercial sponsors. It also has the three-month Glyndebourne season to act as a solid foundation to its annual revenue.

Compared with their rivals abroad who receive the bulk of their income from municipal subsidy on the Continent, or, from tax-assisted private patrons in the U.S., the London orchestras are models of industry and self-help. Only around 15 per cent of their revenue comes from subsidy. Most of it—over 60 per cent—derives from box office and fees, with the remainder from sponsorship. It is in the sponsorship area that much time and effort has been invested, to good effect.

The LSO is well paid by the Arts Council and the City for promoting concerts at the Barbican. This season it will receive £700,000 in subsidy, well over twice the sum of its nearest competitor. But it is not slowing down its approaches to business. It has just completed a deal with Pirelli through which the company will contribute £10,000 towards the publicity for the forthcoming Tippett-Berlioz season. In return, the advertisements will acknowledge Pirelli's support.

The move to the Barbican, where the LSO promotes concerts as well as performing, has transformed the orchestra's fortunes. Its gross turnover this season will approach £3m, way above its rivals, and the 92 per cent audience capacity it achieved in its first Barbican month was well in excess of its Festival Hall appeal, where it lost £5,000 on each concert presented last season. The second Barbican month was less successful but the 75 per cent capacity it needs there to cover its costs should be exceeded. Even so, the LSO has been hit by the fall in South Bank audiences and the cash flow problems which inevitably follow increased activity: this year the orchestra will perform 570 three-hour sessions, an increase of 35 on last season.

The Barbican appeals to sponsors, who are contributing £370,000 towards the orchestra's expenses this year. Ladbroke's and Peter Stuyvesant backed series in the new venue. A particularly interesting scheme is the promotion of the principal player's chairs for endowment by companies, at £5,000 a chair. This could raise £80,000 for the orchestra. But the LSO and the other orchestras have been left standing by the Philharmonia's deal with Du Maurier.

Du Maurier's £300,000 a year for the Philharmonia is the largest single arts sponsorship in the UK. In return for programmes and publicity in the cigarette company's livery it helps the Philharmonia play outside London; it supports a "Music for Today" series which provides an outlet for contemporary music; and it pays the operating expenses of the Philharmonia's subscription series at the Festival Hall, which ensured that last season the orchestra played to 85 per cent audiences, over 20 per cent higher than its competitors' average.

Unfortunately, filling the hall does not increase the receipts because the subscription scheme offers a 30 per cent discount on seat prices which reduces the take to the equivalent of 65 per cent house. But the scheme brings in the cash early—already there has been an increase in bookings on last year ago—and improves the atmosphere at the concerts—both musicians and audience respond to a packed auditorium. Above all, the link with du Maurier has enabled the Philharmonia to concentrate on the classics—it is very opposed to selling its musical skills for commercial money.

This does not worry the RPO, which thoroughly enjoys popularising the classics—and playing to new audiences. Last month it entertained the workers at Fords in Dagenham, in response to a nudge from Mr Tony Banks, chairman of the GLC arts committee, who is keen that arts organisations should earn their subsidies by performing before every type of Londoner. Later in the year the RPO will be entertaining the crowds in Miami at the Orange Bowl football matches. It is the success of its "pop" records which brings the orchestra such profitable bookings—its latest "Can't stop the classics," just released, sold 1m copies in the U.S. in its first three weeks—as well as earning an advance of £125,000. The RPO justifies such work, if justification is needed, by using some of the proceeds to mount concerts of 20th-century music at the Festival Hall, which lose a great deal of money.

The LPO is also proud of its efforts over the years to introduce classical music to a wider audience such as London schools and through concerts subsidised by companies for their workforce. It is about to play twice in Slough, funded by Mars, which is also celebrating its 50th anniversary this year.

To celebrate its own anniversary, the LPO attempted to sell 5 "shares" in its jubilee to 10 companies for £30,000 each. Most of the money would have gone into a publicity campaign to promote the companies as well as the LPO's concerts. In the event, the orchestra discovered that companies do not like joining potential competitors in such a scheme—they like exclusive deals. Hence the Mars concerts in Slough; a Halloween concert for children sponsored by Macdonalds; and co-operation with the Prudential, which will print 30,000 leaflets to promote LPO concerts among its workforce and customers. Although the LPO failed to raise the money it hoped for in promotional revenue, the idea has taught it a great deal about sponsorship.

With their financial problems more or less under control, the orchestras can concentrate on playing. Inevitably, they are promoting more safe concerts—Beethoven and Tchaikovsky are the commercial standbys, although you cannot guarantee to fill the Festival Hall with these any more—but compared to any other city in the world the musical choice is tremendous. London audiences like big names, both conductors and soloists, and this season the Philharmonia is offering Muti, Giulini, Haitink, Perlman, among many others; the LSO is fielding Isaac Stern, Janet Baker, Previn, etc; the RPO has Menuhin and the Labeque sisters, Ogdon and Tortelier; and the LPO Barenboim and Galway, Radu Lupu and Felicity Lott.

But such soloists and conductors are expensive and commercial sponsors can be fickle. To keep up their income, the musicians in the orchestras have to play many sessions than their colleagues abroad. Some sources of revenue—in particular recordings—have declined sharply because of the recession and, with Festival Hall seat prices increased this season, there is little likelihood of attendances rising. So, although the major orchestras are in a healthier state than market forces might suggest, they still cannot relax for a minim.

F.T. CROSSWORD PUZZLE No. 5,000

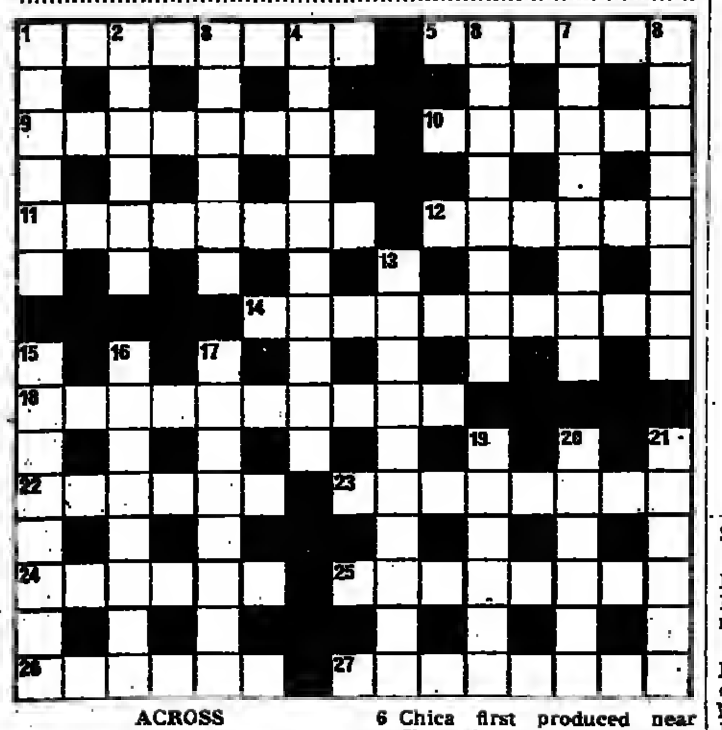
MISPRINTS: Each clue contains a misprint of one letter only, occurring in the definition part of the clue. Solvers must find the misprints and substitute the correct letters. The correct letters in clue order lead (across) to the name of a writer and (down) to the title of one of his works, which are to be inserted below. A prize of £20 will be given to the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner, and addressed to the Financial Times, 10, Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Writer ....

Work ....

Name ....

Address ....



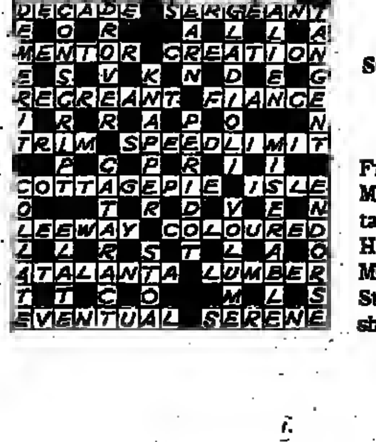
ACROSS

1 Perm's cut carelessly—range of colours in way (8)
5 Cheese-gorges in sensational news-stories (6)
9 Formerly, money in pocket came from trape (8)
10 Rally, me lads! Young lads! (6)
11 Archaeologists' little puns led to trouble for housemaids (8)
12 eg Scotch fine (6)
14 Fear hoing overvalued for sale (4-6)
18 A Hun raging wildly, spearing with force (10)
22 Rule in disordered study (6)
23 Skinners' sinister delivery—of Wedgwood, say (8)
24 Member in Exeter has no hesitation showing it is not visible (6)
25 The pliers are not full-sized but these taxes must be paid (4-4)
26 The hue he was, attacking the Roman Empire (6)
27 Venerators of reactor-types (8)

DOWN

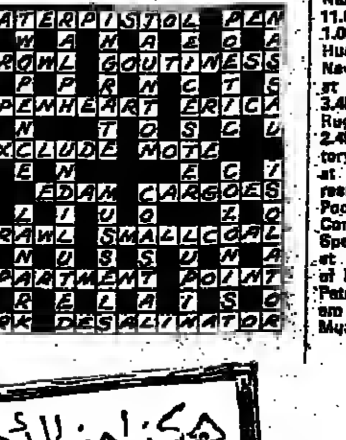
1 Hired agent to find shelter inside (6)
2 English XI etc perhaps, to beat others (6)
3 Jock takes a shine to how he catches herring (6)
4 Not showing case as host—gives us no U-cigar (10)
6 Chica first produced near Shrewsbury—or Newcastle perhaps (8)
7 Clod Corbutt's gymnastics? (8)
8 Sporting loud ties, one can be in this gone condition (8)
13 Supplier of exotic port to the queen gets people into shops by trickery (10)
15 Moniter lizard type? That's wrong, but have a care, anyway, embracing him! (8)
16 Dill used in irregular gin-trade (8)
17 Bluebottles all round the world buzz commonly (8)
19 Head astray—using some unauthentic English (6)
20 In run-through with Stoke, I need ample resources (6)
21 Noises off? It was rallying-cry of some creeks (6)

Solution to Puzzle No. 4,999



SOLUTION AND WINNERS OF PUZZLE No. 4,998

Mrs M. L. Druttman, 15, Friars Place Lane, London W3.
Mrs R. Morton, Coachmans Cottage, Horsham Road, South Holmwood, Dorking, Surrey.
Mr D. Nicolson, c/o Low, High Street, Fort William, Inverness-shire.



† Indicates programme in black and white

BBC 1

9.05 am The Craft of the Weaver. 9.30 Saturday Superstore. 12.27 pm Weather.
12.30 Grandstand including 1.00 News Summary; Football Focus (12.35); Motorcycling (1.05, 2.40) from Oulton Park: The Marshall Tractors British Championship; Racing from Bangor-on-Dee (1.20, 1.50, 2.20); Golf (1.40, 2.10, 2.40, 3.55) The Suntory World Match Play Championship from the West Course, Wentworth; Boxing from the Royal Albert Hall (2.40); 3.45 Half-time soccer scores. 4.35 Final Score
5.10 News.
5.20 Regional Sports / News programmes.
5.25 The Dukes of Hazzard.
6.15 The Late-Late Breakfast Show, starring Noel Edmonds.
6.55 Blankety Blank.
7.30 Juliet Bravo.
8.20 The Paul Daniels Magic Show.
9.00 News and Sport.
9.15 The Saturday Film: "Jeremiah Johnson," starring Robert Redford.
11.00 Carrott's Lib, starring Jasper Carrott.
11.45 Cannon.

REGIONAL VARIATIONS

Cymru/Wales — 5.20-5.25 pm Sports News Wales.
Scotland — 9.00-9.30 am Mag Is Mog. 5.20-5.25 pm Scoreboard. 12.35 am Scottish News Summary.
Northern Ireland—5.00-5.10 pm Northern Ireland Results (opt-out from Grandstand). 5.20-5.25 Northern Ireland News. 12.35 am Northern Ireland News Headlines.
England — 5.20-5.25 pm South West (Plymouth): Spotlight Sport. All other English regions: Sport/Regional News.

BBC 2

6.25 am Open University.
10.55-12.30 pm Golf: Suntory World Match Play Championship from Wentworth.
†3.05 Saturday Cinema Double Bill: "Corvette K-225," starring Randolph Scott, and at 4.40 "Mosquito Squadron," starring David McCallum.
6.10 Buongiorno Italia!
6.35 The Old Grey Whistle Test.
7.15 News and Sport.
7.30 Saturday Briefing.
8.05 Around The Ring: An introduction to Wagner's "Ring," being shown on British television for the first time starting tomorrow.
8.20 Film International: "The Tree of Wooden Clogs."
11.20 News on 2.
11.25 Golf Highlights.
†12.00-1.25 am "The Black Sleep," starring Basil Rathbone, Bela Lugosi and Lon Chaney Jr.

LONDON

9.00 am Sesame Street. 10.00 The Council for Social Democracy. 11.00 Cartoon Time. 11.15 Space 1999.
12.15 pm World of Sport: 12.20 On the Ball with Ian St John and Jimmy Greaves; 12.45 Darts—John Courage Europe Cup: 1.15 News; 1.20 The ITV Six from Newmarket and Kempton; 3.10 Darts—The John Courage Europe Cup; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling. 4.45 Results.
5.05 News.
5.10 Metal Mickey.
5.40 The Pyramid Game.
6.10 Game for a Laugh.
7.05 "Tobruk," starring Rock Hudson, George Peppard and Nigel Green.
9.05 The Professionals.
10.05 News and Sport.
10.20 The Big Match presented by Brian Moore and Jim Rosenthal.
11.20 Kid Creole and the Coconuts in the Jungle.
12.20 am London News Headlines, followed by Best of Saturday Night Live.
1.20 Close: Sit Up and Listen with Richard Pasco.

All IBA Regions as London except at the following times:

ANGLIA

11.20 am Tarzan. 10.20 pm Match of the Week. 12.20 am At the End of the Day.

BORDER

0.30 am Kum Kum. 11.00 Space 1999. 12.00 Cartoon. 10.20 pm Match Time.

CENTRAL

11.00 am Saturday Morning Cinema: "Stunts Unlimited." 7.05 pm Saturday Cinema: "Anzio" starring Robert Mitchum, Arthur Kennedy, Robert Ryan and Peter Falk. 10.20 Star Soccer.

CHANNEL

5.10 pm Puffin's Pla(i)ce. 5.15 The Mary Tyler Moore Show. 7.05 The Saturday Film: "Anzio." 11.20 Hill Street Blues." 12.15 am The Amazing Years of Cinema.

GRAMPIAN

5.05 am The Groovie Ghoulies. 9.35 Falcon Island. 10.20 pm Scotsport. 12.20 am Reflections.

GRANADA

9.15 am Voyage to the Bottom of the Sea. 10.55 Saturday Matinee: Tony Franciosa in "Matt Helm." 10.20 pm Match Time. 12.20 am Lou Grant.
9.30 am Ask Oscar! †11.00 Saturday Morning Picture Show: "His Lordship." 12.13 pm HTV News. 5.09 News.

HTV

HTV Cymru/Wales—As HTV West except: 5.10-5.40 pm, Ras Egwar.

SCOTTISH

9.10 am Tarzan. 11.00 Our Relations (Laurel and Hardy). 10.20 pm Scotsport—with Arthur Montford. 12.20 am Late Call.

TSW

9.05 am Chips. 11.00 Space 1999. 11.45 The Adventures of Gulliver. 12.12 pm TSW Regional News. 5.10 Newsport. 5.15 The Mary Tyler Moore Show. 7.05 Feature Film: "Anzio" starring Robert Mitchum, Arthur Kennedy, Robert Ryan and Peter Falk. 11.20 Hill Street Blues. 12.15 am The Amazing Years of Cinema. 12.40 Postscript. 12.45 South West Weather and Shipping Forecast.

TVS

5.00 am Saturday Brief 9.05 Jos 90. 9.30 Film Fun. 11.00 Groovie Ghoulies. †11.50 Laurel and Hardy in "The Finishing Touch." 10.20 pm The Saturday Match: highlights of both regional and national football matches. 11.20 Lou Grant. 12.15 am Company.

TYNE TEES

0.00 am Morning Glory. 9.05 Story Hour. 5.55 Cartoon Time. †11.00 Hopalong Cassidy. 12.13 pm North East News. 10.15 Shoot. 11.15 High Midnight. 1.00 am Three's Company.

ULSTER

11.00 am Sesame Street. 12.00 Cartoon Time. 1.18 pm Lunchtime News. 5.00 Sports Results. 10.19 Ulster Weather. 12.20 am News at Bedtime.

YORKSHIRE

3.00 am Fantastic Four. 9.20 Max and Moritz. 11.00 The Saturday Morning Picture Show: "The Mask of Alexander Cross" starring Paul Shenar and Barbara Bach. 10.20 pm Match Time—action from three of today's most important games.

(s) Stereo (when broadcast on vhf)

RADIO 1

5.00 am As Radio 2. 7.00 Wake Up to the Weekend with Adrian John. 8.00 Tony Blackburn's Saturday Show. 10.00 Paul Burnett. 1.00 pm Adrian Just (s). 2.00 A King in New York (s). 2.05 Steven Wright (s). 4.00 Walter's Weekly (s). 5.00 Rock On (s). 6.30-7.30 In Concert (s).

RADIO 2

5.00 am Tony Brandon with the Saturday Early Show (s). 5.02 Racing Bulletin. 8.05 David Jacobs (s). 10.00 Neil Sedaka with Star Choice (s). 11.00 Kenny's Jamboree On-the-Air. 1.00 pm The News Huddlines with Roy Hudd. 1.30 Sport On 2: Racing from Newmarket at 2.25 and 2.00; Football at 1.40, 2.55, 3.15; Half-time scores at 3.45; Football commentary at 3.55; Rugby Union: England XV v Fiji at 2.45, 3.20, 4.55, 5.30; Golf: The Suntory World Match Play Championship at 2.00, 2.30, 3.20, 4.55; 5.00 Football results; 5.45 Racing Results; 5.50 Final Pools Check; 6.00 Country Greats In Concert. 7.00 Jump! 7.30 Big Band Special (s). 8.00 Gilbert and Sullivan at the Barbican (s). 10.00 A Century of Music (s). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (s). 2.00-5.00 am You and the Night and the Music (s).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (s). 9.00 News. 9.05 Record Review (s). 10.15 Stereo Release (s). 11.00 Robert Mayer in Concert (s). 12.15 pm Haydn String Quartets (s). 1.00 News. 1.05 BBC Welsh Symphony Orchestra (s). 2.00 Decade: The 1740s (s). 5.00 Jazz Record Requests (s). 5.35 Szymanowski (s). 7.15 Shrinklits by Maurice Sagoff. 7.30 Swansea Festival of Music 82, Part 1: Smetana, Tchaikovsky (s). 8.15 Pleasures (talk by Bernard Levin). 8.35 Concert, part 2: Dvorak (s). 9.20 Religion Under Stress (talk by Elie Kedourie). 9.45 Julian Bream (s). 9.55 Herbert Howells church music (s). 10.40 English Piano Music (s). 11.15-11.19 News.

RADIO 4

9.25 am Shipping Forecast. 5.30 News. 5.32 Farming Today. 5.50 Yours Faithfully. 6.55 Weather, travel, programme news. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 9.15 Sport On 4. 8.48 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 Conference Special: The SDP Conference in Great Yarmouth. 10.30 Daily Service (s). 10.45 Pick of the Week (s). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 News Quiz (s). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre. 2.35 Medicine Now. 3.05 Wildlife. 3.30 Earthsearch II (s). 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 Modern Biography. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather, travel, programme news. 6.00 News and Sports Round-up. 6.15 Desert Island Discs (s). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (s). 8.30 Saturday-Night Theatre: "Tolpuddle" by Alan Plater and Vince Hill. 9.46 How to Choose a Companion or Friend. 9.58 Weather. 10.00 News. 10.15 Wren—the Man and his Works. 11.00 Lighten our Darkness. 11.15 The Story of Pop Radio. 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.00 News. 8.04 London Today. 8.25 Sports Round-Up. 8.30 Travel Round-Up. 0.33 The Magic Carpet Company. 9.00 News. 9.03 On the Rates. 9.30 Openings. 10.02 All That Jazz. 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 0.00-5.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Jeff Stelling. 7.00 Gest Mats. 8.00 Network: Rock of Ages—Part Two. 9.00 LBC Special. 10.00 Nightline with Carol Thatcher. 1.00 am Night Extra with Amanda Cuthbert. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Breakfast Show—Peter Young. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Six of the Best with Nicky Horne. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards' Soul Spectrum. 8.00 A Plain Man's Guide. 9.00 Richard Digence and Folk Friends. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special—Phil Allen.

CHESS SOLUTIONS

Solution to Position No. 444
1 N-Q1! (guarding K3 against RxP ch), QxRP; 2 QxN ch! PxQ; 3 R(8)xB ch, K-B2; 4 P-B5! Resigns because of R(1)-N7 mate.

Solution to Problem No 444
1 R-Q3. If 1 . . . KxR; 2 B-R5, KxB; 3 R-Q4, K-R3; 4 R-KR4 mate. If 1 . . . K-B7; 2 R-KN4, K-K8; 3 R-KN2, K-B8; 4 R-Q1 mate.

THEATRES

A CREDIT CARD INSTANT THEATRE BOOKING SERVICE. NO SURCHARGE. NO BOOKING FEE. TICKET POSTAGE 15p. AMERICAN DANCE MACHINE (Oct 20-Dec 11)—Adelphi. ANNIE (Dec 20-Feb 12)—Adelphi. CHILDREN OF A LESSER GOD—Albery. ANDY CAPP—Aldwych. ROCKET TO THE MOON—Apollo. CAN'T PAY? WON'T PAY!—Criterion. DESTRY RIDES AGAIN—Donmar Warehouse. THE PIRATES OF PENZANCE—Drury Lane. MR FOTHERGILL'S MURDER—Duke of York's. NO SEX PLEASE WE'RE BRITISH—Garrick. DESIGN FOR LIVING—Globe. HAMLET—Piccadilly. ANOTHER COUNTRY—Queen's. NOISES OFF—Savoy. THE REAL THING (From Nov. 3)—Strand. KEY FOR TWO—Vaudeville. WINDY CITY—Victoria Palace. CONCERT SEASON—Wigmore Hall. A STAR IS TORN—Wyndham's. HOTLINES: 01-930 9232 (8 lines). Open 7 days a week.

ALBERY. S 836 3878. CC 930 9232, 379 6565. Grp bkgs 839 3092-836 3962. Evgs 7.30. Thurs and Sat mat 3.00. OLIVER COTTON ELIZABETH QUINN CHILDREN OF A LESSER GOD. PLAY OF THE YEAR SWET 1981. ELIZABETH QUINN ACTRESS OF YEAR in a new play SWET 1981.

ALDWYCH. Box Office 01-836 6404. 01-379 6233. Reduced group sales 01-379 6061. Evgs 7.30. Mat Wed 2.30. Sats 5.0 & 8.30 (WED MATS, OAPS AND STUDENTS £3.50 BEST AVAILABLE SEATS). TOM COURTENAY, ALAN PRICE in THE NEW MUSICAL ANDY CAPP. Directed by Braham Murray. Credit card Hotlines 01-930 8577 (8 lines). Reduced group bookings 01-839 2751.

AMBASSADORS. S CC 836 1171. Grp Sales 379 6061. Eves 8.0. Tues Mat 3.0 & Sat Mat 5.0. HELENE HANFF'S 84 CHARING CROSS ROAD. Doreen Mantle, Rosemary Stevens. OVER 350 PERFORMANCES.

APOLLO. Shaftesbury Ave. CC 437 2663. Eves 7.30. Mats Wed 3.00, Sat 4.00. DAVID BURKE, MARY MADDOX, ANNABEL LEVENTON and JOHN WOODVINE in ROCKET TO THE MOON by Clifford Odets. Tel. 437 2663. Credit card Hotline 930 8577.

APOLLO VICTORIA. 01-834 6177. RICHARD HARRIS in LERNER & LOEWE'S CAMELOT. A NEW LAVISH PRODUCTION. CREDIT CARDS 01-630 6262. GROUP SALES 01-379 6061. LTD SEASON! Nov 12 to MAY 7 ONLY.

BARBICAN HALL. Barbican Centre, EC2. CC: 01-638 8891. Res: 01-628 8795. Today 11.00 am. Children's Concert. English Baroque Orchestra. Introduced by Leon Lovett conductor. Boyce: Overture No. 10. Bach: Brandenburg Concerto No. 2. Handel: Arrival of the Queen of Sheba. Mozart Symphony No. 29 in A. Wagner: Siegfried Idyll. 8.00 pm Johann Strauss Gala. Johann Strauss Orchestra. Directed from the violin by Jack Rothstein. Geraldine Stephenson choreographer. Ann James soprano. Programme includes: "Wiener Blut Waltz," "Egyptian March," "Thunder and Lightning Polka," "One Thousand and One Nights Waltz," excerpts from "Die Fledermaus." Raymond Gubbay Ltd. Sat 23 8.00 pm Recital by Segovia.

BARBICAN. S 01-628 8795. CC 01-638 8891. (Mon-Sat 10 am-8 pm. Sun 12.30-8 pm). 24-hr Info 01-628 2295. ROYAL SHAKESPEARE COMPANY. BARBICAN THEATRE today 2.00 & 7.30 RSC's NEW HIT MUSICAL—POPPY, book & lyrics by Peter Nichols music by Monty Norman (runs 3 hrs 50). Few day seats £3 from 10 am. Personal & tel booking now open for period to 15 Jan including PETER PAN, THE WINTER'S TALE, HENRY IV. THE PIT today 2.00 & 7.30 THE WITCH OF EDMONTON by Dekker, Ford & Rowley (runs 3 hrs).

CAMBRIDGE. 01-836 6056/1488/7040. Evgs 7.45. Mat Thur 2.30, Sat 5.00 & 8.00. Evgs 7.00. A new production of THE MIKADO. THE MIKADO. Group bkgs 01-836 2379. CC accepted.

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Tonight, Thur 7.30 RIGOLETTO. Wed & Fri 7.30 WERTHER. Some seats avail at doors each day.

COMEDY THEATRE. S 930 2578. Credit card bookings 839 1438. Grp sales 379 6061. Mon-Fri 8.00. Sats 8.15. Mats Thur 3, Sat 5.15. Price £2.50-£7.00 (not suitable for children). STEAMING by NELL DUNN. COMEDY OF THE YEAR SWET AWARD 1981. NOW IN ITS SECOND YEAR. Pre-show supper at Cafe Royal plus stall seats only £9.90. Mon-Thurs.

CRITERION. S 930 3216. CC 379 6565. Grps 836 3962. Mon to Thur 7.30, Fri & Sat 5.00 & 8.45. CAN'T PAY? WON'T PAY! a farce by Dario Fo. THE LONGEST RUNNING FARCE NOW IN THE WEST END—OVER 500 PERFS. Nominated COMEDY OF THE YEAR 1981 SWET Awards.

DONMAR WAREHOUSE. Earlham Street, Covent Gdn. S CC 01-836 1071/379 6565. Eves 8.0. Mat Thur 3.00. Sat 4.30. Jill Gascoine, Alfred Molina in the Musical DESTRY RIDES AGAIN.

DRURY LANE Theatre Royal. CC 01-836 8108. Grp sales 379 6061. TIM CURRY, PAMELA STEPHENSON, GEORGE COLE, ANNIE ROSS in THE PIRATES OF PENZANCE. Evgs 7.30. Mats Wed & Sat 3.0. Credit card Hotline 930 8577.

DUKE OF YORK'S. 836 5122. CC 836 9837. Hotline 930 9232. Previews from Tues. Opens Oct 23 at 7 pm. Mon-Thur 7.30, Fri 5 & 8.45, Sat 5 & 8. Frank Windsor, Rula Lenska, Derek Nimmo in MR FOTHERGILL'S MURDER by Peter O'Donnell.

GARRICK. S CC 836 4601. Eves 8. Mat Wed 3. Sat 5 & 8. 12th HYSTERICAL YEAR OF THE LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. 2 hours of non-stop laughter. Directed by Allan Davis. Group sales Box Office 379 6061. Credit card bookings 930 9232.

GLOBE THEATRE. 01-437 1592. CC Hotline 930 9232 ... DESIGN FOR LIVING ... CURRAM ...

GREENWICH ... ANGELA THORNE ...

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LEISURE

A notable 1982 vintage for Bordeaux

ALTHOUGH, fortunately, not as yet proclaimed another "vintage of the century"—the first was declared in 1959—there is no doubt that 1982 will turn out a notable year for claret. For it has almost everything in its favour.

First, the weather. The spring was fine, and there was very little spring frost, although Domaine de Chevalier, the distinguished red Graves was hit, and as a result expects only two-thirds of a normal crop. The vital flowering of the vine was early, plentiful and rapid, and followed by a very hot July. According to the old saw "*Aout fait le gout*" ("August gives the flavour"), this was a rather disappointing month, with some rain and a lack of sun. However, the first two-and-a-half weeks of September were torrid, with temperatures in the '80s, and the vintage began unusually early; on September 13, and only two other post-war vintages have been as precocious, 1945 and 1976; and they started on the same date.

Not, of course, that every grower sets out with his pickers on the same day. Haut-Bailly, another distinguished Graves, actually started picking on the 12th, but then their grapes are all Merlot which ripen earlier than the Cabernets, particularly the Cabernet-Sauvignons, which are dominant in the Médoc, but scarcely grown at all in St Emilion and Poremol. Haut-Brion started on the 15th and its neighbour, La Mission-Haut-Brion, about the same day and both were finished before the end of the month. The small estate of Pétrus, almost all Merlot, completed picking in two days, the 17th and 18th, while Mouton-Rothschild sent 400 pickers into its vineyards on the 17th and finished on the 24th. Latour was a little later, but the last load of grapes was in by the end of the month, though Margaux, short of fermentation vat space and perhaps hoping for a little more maturity in its Cabernets, just spilled over into October.

Shortage of vat space in this very large vintage was common almost everywhere, with the result that once the first fermentation was over, a vat or two had to be emptied to make room for further loads before the malo-lactic fermentation which, in good conditions, follows shortly afterwards. Such wines will be re-vatted when the skins, which this year have taken up an unusually large proportion of vat space, are raked out.

It was a particularly difficult fermentation owing to the initial high temperatures which carry with them a risk of excess volatility, i.e turning vinegary. But these days superior knowledge and techniques can effectively cool and re-cool the heated must and in every cellar water was constantly pouring down the stainless steel vats or on the curious serpentine pipe machines in which the wine is circulated. Yet in some minor growths there might be the risk of excessive temperatures.

There is also the possibility of too much tannin, although the experts say that there was so much sugar in the grapes that a good balance would be maintained, and anyhow the tannin was "soft" rather than "hard." Acidity, the other vital factor in the balance and keeping qualities of a wine, was on the low side, but it is permissible to add acidity. At Mouton-Rothschild they put in the vats the little grapes that have developed late, the *reverdons*, usually too acid to be picked, and only so-used there before in 1949 and 1959. And for the first time since 1975 there was no *chaptalisation*, the addition of sugar to the must; and little was employed anywhere.

Although, like everywhere in France, the crop was large in

WINE

EDMUND PENNING-ROWSELL

Bordeaux overall it may not have turned out very much bigger than the record 1979, especially as the white wine crop, though 30-40 per cent up on last year, will be smaller than three years ago, owing to the changeover to red wine production. In red it may be 10 per cent higher than the 3.8m hl. of AC wine produced then. It is likely to be more prolific in the Médoc than in St Emilion and Pomerol, but this varies from château to château, as well as depending on how much wine will be included in the *grand vin* that bears the château label.

This all adds up to a vintage that cannot be overlooked by keen claret drinkers. Professor Emile Peynaud, the highly respected adviser to dozens of châteaux, including first-growths, and by no means one to exaggerate, told me that there was more sugar in the grapes than he had seen for 20 years; and although no vintage exactly resembles another, he recalled 1947 as similar, and so do others. 1929 has also been mentioned in this connection.

The problem, of course, for buyers is that it follows the very successful 1981, of which on my vintage-time visit I tasted a great number, including all the first-growth. This fine, deep-coloured, full-flavoured wine with a fruity bouquet was well taken up here in Britain, and elsewhere. It is expected to mature more rapidly than the 1982. In price the finer 1981 wines were naturally more expensive than the moderate 1980s, and the two-year-old 1979s but any grower will show that in terms of inflation and increases in material costs (a new oak cask costs Frs 1,330 compared with Frs 750 two years ago), the 1981s were no dearer than their predecessors. The speculation in first- and a few second-growths is another matter, of immediate concern to investors than to consumers.

Now, however, the proprietors and the trade are faced with a problem over pricing the 1982s. At the level of generic clarets and all but a few *crus bourgeois*, the size of the crop, as well as a certain amount of stock, must surely call for stable prices—even, perhaps slightly lower ones. The first-growths are a world of their own but the other couple of hundred or so château with an international market will certainly be aware of their 1981s, still in their cellars, whether sold or unsold, and the precarious state of the market, in a recession-sunk world. Their opening prices next February or March are, therefore, likely to be cautious. Leading Bordeaux merchants, asked for their forecasts, varied from 10 per cent up on 1981 to the same again, or even a little lower.

For such wines much will depend on U.S. demand. Apparently the 1981s have sold reasonably well there, though not so widely as here. But it cannot be overlooked that in relation to the franc the dollar is 40 per cent up compared with two years ago; and the pound is better placed too. Neither are likely to drop against the franc in the next nine months, and inflation is running at 14 per cent in France. If the wines turn out as well as expected and prices are judged as reasonable, the 1982s should certainly find buyers. But supposing 1983 turned out well too? Three good vintages in a row have occurred before: in the last three years of the Forties.

Taking pot luck with the masters

IT IS NOT so long since the term "artist potter" was regarded, in this country at least, as a contradiction, and those who claimed the title were at best reckoned as back-to-the-earth romantics. Times and tastes change: and there is belated satisfaction in seeing the arrival of their work in the big London salerooms, where they now command "art" prices.

True it is not a phenomenon that would be entirely to the taste of potters like Bernard Leach or Michael Cardew, who always wanted to bring the beauty of their art to ordinary people rather than to a privileged elite. It is still some kind of compensation for the less appreciative times. Even when he had become famous, Leach, like the Martin Brothers long before him, often found it hard to make ends meet at his pottery; and there was a time when two of the greatest potters to have chosen to work in Britain, Lucie Rie and Hans Coper, survived by making ceramic beads and buttons. An exhibition of Leach's great friend and collaborator Shoji Hamada, in the 1950s, ended with many of the pots unsold. Today they would be eagerly bought for as many hundreds as they then cost in pounds.

An incidental advantage of the new collecting interest is that fine and rare pots come briefly back into public view when they pass through the salerooms. There was for example an exceptionally good sale at Sothebys yesterday, which included part of the collection of John F. Park who seems to have been a notable connoisseur. There were fine Leach and Hamada pots, as well as pioneer work by the Martin Brothers and other nineteenth century potters. The major revelation was an exceptional show of works by Lucie Rie and Hans Coper.

Lucie Rie, who is 80 this year and, happily, still active, was born in Vienna and came to England in the late thirties. Although she was already well known in Austria and Germany, she found it hard to start again her career in this country. She met, and was impressed by Bernard Leach, but the encounter seems to have been more unsettling than inspirational. Her ascetic, sculptural approach was far removed from Leach's work, which derived from folk traditions of Japan and England.

Only after the war, and the bread-and-butter period of her career, was Lucie Rie able to establish herself. After her first one-man show in 1949 her fame began to grow internationally.

Rie's inspiration is urban and sophisticated rather than rustic in the way of earlier generations of English artist-potters. The forms of her work seem in part inspired by the symmetrical correctness and lightness of Roman glass. At the same time there is a strong influence from the austere, functional grace of the Bauhaus styles of her youth. Unfashionably sexist as the term may be, there is a particularly *feminine*

COLLECTING

JANET MARSH

quality about her work in its strength, delicacy, elegance and unconventional use of colours—including in recent years striking combinations of pink and blue.

Muriel Rose, whose invaluable book *Artist Potters in England* was, in 1955, a pioneer attempt at proper evaluation of this group (it was revised and reissued in 1970) wrote shrewdly of Rie's ability "to be simple without boring . . . the touchstone of distinction." Like Leach and all the greatest potters, there is an entity about every work, whether it is ornamented with Rie's characteristic meticulous incision, or with the seemingly accidental patterns produced by eruptions in the glaze during firing.

With Hans Coper a sculptural purpose is more evident, as he develops a favourite form through whole series of subtle variations. The use of glaze and colour—almost exclusively restricted to a range of brown—is, however, the work of a master ceramist.

Coper, who was 18 years younger than Lucie Rie, arrived in Britain from Germany about the same time. He came to ceramics—apparently under the influence of Rie—after a training in engineering and an attraction to painting and sculpture. Distinctive as their styles are, Rie and Coper worked side by side right from the hard times of beads and buttons. (Not that the beads and buttons were to be scored. Artists like these were incapable of making even beads and buttons that had not style, and Muriel Rose recalls that "they met a ready sale in the drab conditions of post-war London."

In marked contrast to the asceticism of Rie and Coper are the cheerful, folksy ceramic decorations of Quentin Bell whose one-man exhibition opens the new gallery extension of Dan Klein's premises in Halkin Arcade, Motcomb Street. In an introduction to the exhibition Quentin Bell's intention is declared as being "to amuse and delight rather than impress the spectator."

Bell, who is now 72, is a second-generation ceramist. His mother, Vanessa Bell, decorated pottery along with Duncan Grant, and Bell himself started his career in ceramics turning shapes for them to paint. The 250 pots in the present exhibition are mostly recent work, made with the help of the venerable Fulham Pottery. They generally demonstrate Bell's delight in elaborate, idiosyncratic (not to say whimsical) decoration, making much use of gold and coloured enamels.

Studio vases by Lucie Rie and Hans Coper

SPORT

Ray Maughan reports on a small revolution in soccer

It's the wonder of Watford

Luther Blissett—Watford and England

IT HAS been quite a week for Watford Football Club. On Wednesday, Luther Blissett, one of the club's forwards, came on as a substitute for England in the friendly match against West Germany. A day later, the club manager, Graham Taylor, was appointed to an 11-man technical committee set up by the Football Association.

Not much in that, you may think. But when it is remembered that the club has never had a full England cap on its books before and it is recognised that Taylor of Watford, not one of the big names from the powerful Lancashire, Midlands or North London clubs, is the only football league manager to be represented on the new FA committee, some measure of Watford's progress over the last few years must be acknowledged.

The backdrop to the new committee's formation is deeply depressing. Taylor and his 10 colleagues will be trying, by scrutinising the laws of the game, and the methods of coaching and training of players and referees alike, to arrest the frightening decline of interest in professional football in this country.

Watford, by contrast, is bubbling. New sponsorship deals have been signed, the pools office is crowded even on a weekday morning, plans are being hatched to cover the popular terracing at the Vicarage Lane end of the ground and the board is deciding whether to build a new stand on the west side of the ground.

The decision to go-ahead with either scheme, or both, will take much courage and a firm belief that the club can be run profitably. Given that the Vicarage Road ground only holds 28,000 people at full capacity, the scale of the challenge is awesome. The club's principal challengers in the league operate on a vastly bigger scale. Arsenal breaks even at a crowd level of 32,000 and Manchester United needs 43,000 paying customers through the turnstiles to turn weekly losses into profits.

Watford is fourth in the First Division, their first season ever in the top flight. Like all clubs, it has attracted a great deal of interest in the promotion run and during the opening games of the current campaign.

The club has climbed steadily from the Fourth Division in the last six years, adding ground improvements and widening its image as a progressive, family orientated business along the way.

There have been no big signings: the most Watford have paid was £250,000 for Gerry Armstrong to Spurs. Armstrong, ironically, is better known as a Northern Ireland international than as an in-and-out member of Watford's first team.

A big sponsorship deal was signed, in the summer, worth £400,000 over three years, with Iveco the multi-national truck manufacturer.

And it has helped enormously that the club just happens to have as its chairman, a multi-millionaire recording star, Elton John.

John has impressed the professionals by his attention to detail, his organisational ability and, not least, his devotion to the club. But all the glamour which emanates from the chairman's office and Taylor's ability to find and develop skilful young players—the wingers Barnes and Callaghan are striking examples—and his willingness to put over a cohesive philosophy about the way football should be played, Watford will swim rather than sink in the game's current whirlpool because it does the small things well.

The club is structured to break even with gates of 16,000. Its budgets, hammered out during the team's successful tour of Australia and New Zealand during the summer, have been carefully projected.

"In some ways, you have to budget for failure," says Eddie Plumley the recently appointed chief executive and secretary. "All you know at the beginning of the season is that you will play two legs of the Milk Cup and one match in the FA Cup, you can't just assume that you will make any more progress than that."

On the other hand, Watford is thinking big in terms of League success. The projections for wages, win and draw bonuses and the like have been drawn up on the basis that Watford finishes second in the league this season which is going to put an awful lot of noses out of joint in Liverpool, Manchester, Birmingham and the London boroughs of Haringey and Islington.

In some ways, the club is already outperforming much of the rest of the league. Caroline Gillies, who was recruited from the English Tourist Board by Taylor to promote Watford Football Club, claims: "We sell more club sweaters than any other club except Spurs." The club shop is forecast to turn over about £150,000 this year.

"Our lottery ticket turnover went up by 10 per cent last year to £500,000." Other clubs' lottery turnover has been falling in some cases by as much as 40 per cent, she says, because "our man actively sells to people, whereas other agents merely dump lottery forms in newspapers."

In conjunction with Benskins, the local brewer, the club has formed a Pennant Supporters Club which gives cardholders a free pint at certain times on certain days of the week. Benskins drew 50,000 free pints in this way last year.

Attention to small details is paying off. The accounts for the year to April last are to be published in December and will show, Plumley says, that losses have been halved to about £½m.

The club could ask Elton John for more cash. He did after all put up £1.2m as an interest-free undated loan for ground improvements and player signings in its Third Division days but, typically, the manager has his own ideas for fund raising.

The new stand at the Vicarage Road end could be financed if Taylor finds enough sponsors to back his plan to enter the next London Marathon. It is not yet certain that he will enter or, if he does, whether the race organisers will accept him. But if he does run, he will have helped put a roof over his fans' heads. Few other managers could say the same.

RACING

BY DOMINIC WIGAN

UNLESS KALAGLOW has deteriorated, this afternoon's first-ever running of the £100,000 Dubai Champion Stakes at Newmarket should provide a memorable climax to the Kalamoun grey's season.

Rated as a better colt now than at any stage in his career by his exhuberant handler, Kalaglow will almost certainly be the subject of "catch me if you can" tactics. It was these tactics combined with Kalaglow's tremendous early pace which enabled Greville Starkey to take a couple of leisurely backward glances someway out in the Earl Sefton Stakes over today's course and distance in the spring.

Kalaglow, whose one-and-a-half-mile King George VI and Queen Elizabeth Diamond Stakes victory owed much to Starkey's tactical superiority over Christy Roche on Assert, will probably be seen to even better advantage on today's straight mile and a quarter.

If this proves to be the case he will have nothing to fear from any of his rivals with the possible exception of Montekin. This one-time classic hope has, at long last, shown signs of a return to form. At anticipated odds of around 33-1 Brian Taylor's mount could be an each-way alternative for those not prepared to take cramped odds about Kalaglow.

In the long history of the Cesarewitch there has seldom been a shorter-priced favourite than today's 7-2 market leader Mubarak of Kuwait. Another colt trained by Guy Harwood and ridden by Starkey, Mubarak of Kuwait owes his place at the head of the betting to an unusually impressive display in Ascot's Gordon Carter handicap.

Asked to quicken a quarter of a mile from home in that event, the Morston colt gave Starkey an immediate response striding well clear of Heighlin and Prince Maj.

Unlikely to be troubled by today's longer trip Mubarak of Kuwait, the winner of Royal Ascot King George V Handicap before landing the Commonwealth Handicap at Sandown, will go close to justifying the gamble.

However, in an always open race I just prefer that improving Relkn filly Chalkey Road. Last time out this admirably consistent daughter of The Gratitude mare Feather Bed put up her best performance to date in taking advantage of a 3 lb concession from Rollfast in a mile and five furlongs event at Ayr.

Just over an hour after the tote sponsored Cesarewitch, Rana Pratap will surely be the one they all have to beat in the Birdcage handicap in which the Epsom two-year-old will be racing off 8 st 2 lb near the foot of the handicap. Rana Pratap is a high class handicapper in the making.

NEWMARKET
1.45—Going Going
2.25—Kalaglow
3.00—Chalkey Road**
3.35—Vaissean
4.10—Rana Pratap**
4.40—Sharpish*

FINANCIAL TIMES
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Saturday October 16 1982

Getting back to earth

TWO SIGNIFICANT events were recorded in London yesterday. The retail price index actually fell fractionally for the first time in 12 years; and the market didn't quite believe it.

The 0.1 per cent decline in the retail price index completed three months of zero inflation, the first such period since the 1967 devaluation, and lends some convincing colour to the Government's hopes of a fall in the annual rate well into next year; five per cent now looks quite attainable. But is this the end of inflation, as proclaimed by the Fed chairman, Mr Paul Volcker? The market remains to be convinced. Investment interest turned from fixed-interest bonds, yielding about 10 per cent at the long end, to the long-leglected indexed bonds, yielding just under 3 per cent.

Influences

On the face of it, this means that the market's own long-term expectation of inflation is for the time being stuck at about the current rate of just over 7 per cent. Of course, no such message can be read from just one day's trading; a host of other influences shift money from hour to bour—the rates available on Wall Street, the rush of money into the new STC issue, weekend worries about the U.S. money supply, and so on.

Nevertheless, in the long run the yield gap between indexed and long-dated stocks is a very accurate measure of expectations. After all, if most investors believed that inflation were about to fade away, a 10 per cent long yield would be overwhelmingly more attractive than a 3 per cent guaranteed real return. There is of course an element of portfolio balancing at work—the usual desire to balance risk with security (and bets on future inflation must always be risky), but the pause is still significant.

One reason for the market's hesitancy is the Catch 22 which has haunted the whole bull market since midsummer. Recession has reduced inflation and interest rates; falling interest rates are good for the economy; but if the economy revives, can interest rates stay down? In short, the revival started because the bond markets treated bad news as good news: is it now possible that good news is bad news?

There is a second problem which is more of concern to English-speaking investors. One reason for the dramatic fall in inflation in both Britain and the U.S. has been the rise in dollar and, except against the dollar, in sterling exchange rates. This has cheapened imports, reducing input costs and intensifying competition. However, both currencies are so drastically over-valued that output is depressed, and any rise in real incomes is spent on imports.

This situation cannot be sustained for ever, so that investors fear that in the long run either the deteriorating balance of payments (in both countries), or any large further fall in interest rates, could lead to a sharp exchange rate correction. Historically high real interest rates are the return that investors demand for running this risk; perhaps they will prove a bit sticky from here on. Britain might benefit substantially from a fall in the dollar which was only partly reflected in starling, which would have a strong effect on competitiveness but a weaker one on inflation, but this scenario again assumes some caution about interest rates.

Mr Volcker's announcement has proved one thing: investors are not simple-minded monetarists. The news that the Fed would not worry about large future rises in M1 did not start a new panic about inflation.

What it did is to liberate investors; they can now try to base their strategy on their judgment of what is going to happen in the real world, rather than on what the next move is the monetary authorities is going to be.

In London, of course, the Bank of England stopped playing Old Lady's footsteps with the gilts market some time ago; but since the dollar dominates credit markets, that simply meant keeping an eye on a different central bank. In July the Fed started a series of determined moves to reduce interest rates, and the bull market started. Last week the Fed admitted what it was doing, and the bull market, perhaps ironically, boiled over.

Importance

For the future investors (except in bank shares and the euromarkets) may well be able to sleep better, but they will have to think barder. Once a single money number loses its importance, there are rather a lot of factors to take into account in judging economic trends—the technological future, the state of world trade, the mood in the labour market, the future burden of supporting the retired, the state of corporate and banking balance sheets, fashion, management ability and all the rest.

For older investors, this is a familiar world; for younger ones, learned in the tricks of funding and overfunding, floating and fixed rates, and international capital flows, the emphasis on the real world will at first seem confusing. Inflation has been endemic for so long that some have matured in a world in which guessing the future value of money was the only game in town. As inflation abates, they must learn again to judge the relative value of everything else.

John Plender explains why stock markets surged upwards earlier this week despite the flagging state of the world economy, described below by Financial Times correspondents

The message of the markets

THIS WEEK bond prices around the world soared, the Dow Jones industrial index temporarily broke through the 1,000 barrier in the United States and the FT Industrial Ordinary index in Britain touched an all-time peak of 606.1 — all on the basis of an apparently obscure technical change in the U.S. Federal Reserve's monetary policy. The markets are saying that something important in the world economy has changed. But what?

To start with, the Fed has succumbed to revisionism on a point of symbolic importance. Back in October 1979 its chairman, Mr Paul Volcker, forsook the Fed's traditional role in setting the level of short-term interest rates and sought instead to counter inflation by meeting strictly defined money supply targets. Since then the world has been hostage to sharp gyrations in U.S. interest rates as markets over-reacted to weekly figures of the key M1 definition of money.

Mr Volcker has now combined a promise to attach less importance to M1 with a powerful declaration that "the inflationary momentum that has gripped the economy in the 1960s and 1970s has been broken." The new approach was justified publicly on the ground that M1 will be temporarily distorted by changes in bank regulation. But it also suggests that the Fed has undergone a change of heart over rigid money supply targetry and intends to take further the relaxation in U.S. monetary policy that started in July in the face of the crisis in the banking system. Lower interest rates provided a further spur to the markets this week.

A momentous change has also taken place in market psychology. Conventional wisdom has it that if Mr Volcker had announced his retreat from M1 three or four months earlier, U.S. bond market prices would have crashed on fears of renewed inflation. Today the market appears to have ceased to listen to the strict monetarists who constantly cried wolf on the basis of weekly figures of M1, equating them with Charles Lamb's peasants who knew of no other way of roasting a pig than burning down the house.

However, investors' readiness to take Mr Volcker's commitment to future financial discipline on trust appeared to have waned a little by Friday, when the supposedly meaningless M1 figures came out.

The argument on Wall Street is not merely between strict monetarists and revisionists. There is also a debate between those who feel that lower interest rates have fundamentally improved the prospects for recovery and those who claim that they simply reflect the dismal state of the major economies (see below).

The optimists, who are buying equities, see the world in terms of a much improved profit and loss account. The decline in interest rates has improved the revenue generating capacity and finances of both countries and companies. Inflation and public spending are coming under control around the world. In due course falling interest rates will herald recovery which will gather steam as governments respond to the political pressures imposed by unemployment.

An international banking crisis which might have threatened this scenario has, so the optimists argue, receded since the Fed started to pump money into the system in July.

The pessimists, who are buying bonds, are effectively saying that the world has a balance sheet too, and it looks rather sick. On the asset side recession has caused most commodity prices to collapse and even oil is declining in value. The value of financial assets is historically very low in real terms.

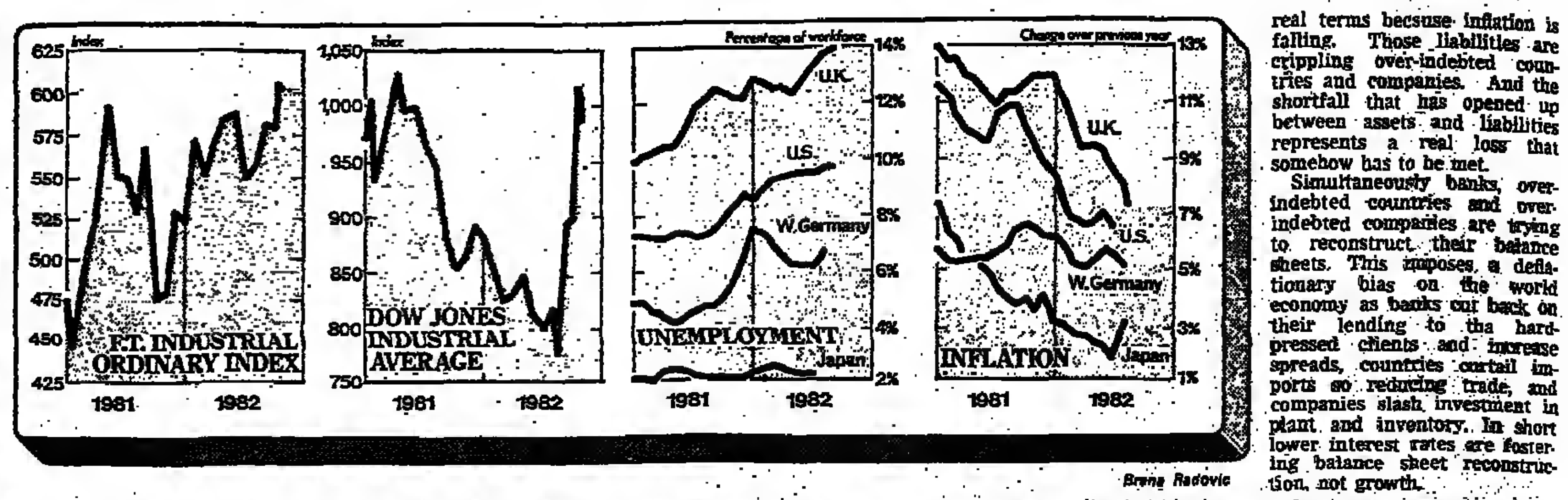
A U.S. prime rate of 12 per cent is appallingly high in recession when inflation is heading for 4-5 per cent on the forecast of Treasury Secretary Mr Donald Regan. The value of plant and machinery in numerous industries — steel, airlines, textiles — is down, reflecting both recession and structural decline.

On the other side of the balance sheet, liabilities have stopped depreciating rapidly in real terms because inflation is falling. Those liabilities are crippling over-indebted countries and companies. And the shortfall that has opened up between assets and liabilities represents a real loss that somehow has to be met.

Simultaneously banks, over-indebted countries and over-indebted companies are trying to reconstruct their balance sheets. This imposes a deflationary bias on the world economy as banks cut back on their lending to the hard-pressed clients and increase spreads, countries curtail imports so reducing trade, and companies slash investment in plant and inventory. In short lower interest rates are fostering balance sheet reconstruction, not growth.

On this hypothesis, the central question for markets is whether that balance sheet "loss" is to be met by write-offs against the assets, which would cripple the banks, or a devaluation of liabilities, which would mean a return to inflation and a renewed battle between markets (on the side of financial discipline) and governments (priming the money pump).

The account below portrays a world in which governments have so far chosen to muddle through and put off answering the question that matters. Investors in Britain, however, have reached a verdict. Gilt-edged stock has risen more than 30 per cent since January; equities a mere 10 per cent.



Brene Radovic

UK

THE British economy has been stagnant for most of this year and any initial signs of recovery which appeared last year and in the spring have faded. There has so far been no sustained and steady growth in output.

Government ministers have stopped making bullish speeches. The Treasury, along with most other forecasters, has been revising downwards its forward projections for 1983.

Official measures of GDP show there was little if any change in economic activity from the first to the second half of this year. The GDP index for the second quarter of this year was 106.2 (1975=100), almost the same as the end of 1980 and 4 per cent below the 1979 average.

Manufacturing output figures declined from an index of 89.1 in the first quarter to 88.7 in the second (1975=100) and the third looks set to be lower. Manufacturing industry is not experiencing any signs of recovery.

The only improved 1983 forecast is for inflation, which is now likely to hit about 6½ per cent by the year end.

The Government admits it will be a very slow recovery

The London Business School forecasts 1 per cent growth for 1982 and 2.8 per cent for 1983 but says this cannot be achieved without n stimulus.

ROBIN PAULEY

U.S.

EVEN before the latest drop in interest rates and the encouraging signals from the Fed, U.S. economists were practically unanimous in the opinion that a recovery of sorts was on the way—a survey of 40 forecasts published recently by blue chip economic indicators showed growth projections of between 1.3 per cent and 7.4 per cent, with all but five falling in the 2 to 5 per cent range.

Unfortunately, forecasters have been agreeing on a recovery for the past six months, but the signals from the real economy have remained mixed at best.

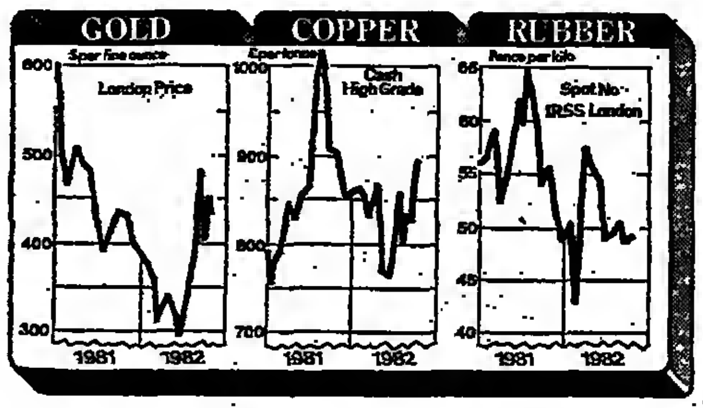
Yesterday, for example, September's industrial production figures showed an 0.6 per cent fall.

Accordingly the conventional wisdom among economists has been getting progressively gloomier since the spring. Last weekend a Business Council survey of 20 economists from leading industrial and financial corporations showed a real GNP increase of 3 per cent between 1982 and 1983.

Nevertheless some growth next year now seems more certain as a result of the fall in prime interest rates to 12 per cent this week.

By the middle of 1983 a further 10 per cent income tax cut should come into play to sustain a subdued recovery into 1984.

ANATOLE KALETSKY



Commodities: industrial demand still weak

THE DECLINE in U.S. interest rates, and the surge on Wall Street, has brought sharp price gains in the metal markets, most favoured by speculators. Copper prices have climbed to the highest level for nearly a year, and there have been considerable increases in the value of silver and free market platinum, far outstripping the rise in gold. Silver, for example, has jumped by over 120p to nearly 600p a troy ounce in less than a fortnight.

However, the main buying interest has come from speculators, both trade and private, anticipating improved demand for metals and, therefore, higher price levels.

So far this improved sentiment has not been translated into positive action by consumers to rebuild stocks and industrial demand remains very sluggish. The non-speculative metal markets have not responded and prices continue to hover around rock-bottom levels, depressed by the lack of industrial demand.

The economic recession, and reduced spending power, continues to keep commodity prices generally very low. Natural rubber, normally a good indicator of the state of industry, is still very depressed. Wool prices, which held up remarkably well last year, have come under considerable pressure lately. Heavy surpluses continue to undermine the grain, cocoa and sugar markets, as a result of consumption failing to pick un in spite of low prices following bumper crops.

JOHN EDWARDS

W. Germany

THE Bonn Government confirmed on Thursday that even it does not now expect real growth for 1983 as a whole.

The contraction in GNP since the summer, which cut July-August industrial orders by 9 per cent on their 1981 equivalent and brought unemployment to 7.5 per cent (1.82m) of the workforce, will mean negative growth of I per cent this year in real terms against −0.2 per cent in 1981, according to the latest detailed prognosis from the Government.

It yesterday offered as a "middle case" fnr 1983 a slow "climb back to zero growth" by the third qnarter and a 3 per cent growth rate for the fourth. By that time, it expects that unemployment will have reached its peak of 2.3-2.4m as an annual average, or 10 per cent nf the workforce.

The conditions for this weak recovery are a fall in interest rates, a response by industry to the new Government's stimulus to investment and building and a growth in world trade of 2 per cent — with slightly less competitive German exports growing 1 per cent.

Not surprisingly in these conditions, consumer price inflation is expected further to ease from 5 per cent growth in 1982 to 4 per cent next year.

JAMES BUCHAN

Japan

JAPAN'S economy grew at a real annual pace of 5.1 per cent in April-June, the first quarter of the fiscal year. This surprisingly strong performance (a 1.3 per cent rise over the prior three months) was due almost entirely to an unusual and possibly unsustainable spurt in consumer spending.

The Economic Planning Agency believes that its revised target for the full fiscal year (which ends March 31, 1983) of 3.4 per cent growth is well within reach.

Growth this year will therefore be stronger than FY 1981's 2.8 per cent rise, but well below the EPA's original target of 5.2 per cent growth. In a sharp turnaround from the previous two years, however, economists expect virtually no contribution to growth from exports.

Industrial production has zigzagged since the end of 1981, when the economy's export-led recovery collapsed. Sluggishness in the manufacturing sector has been reflected clearly in the EPA's indicator of future trends, which has pointed downward since March this year.

Wholesale prices, despite some upward pressure resulting from the weakness in the yen in recent months, are expected to rise only 2 per cent this year (to March 1983), as against a 1.4 per cent rise in FY 1981.

RICHARD HANSON

Letters to the Editor

Broadcasting

From Mr J. G. Anderson

Sir,—Mr Harold Evans of Goldcrest Films has described the likely result of the Hunt Committee proposals as leading to lower TV standards and a flood nf cheap American programme material—and he is one of the proponents of cable TV.

The Government may be under pressure to rush ahead with the proposals, hut there is surely a strong case for more public debate and political reflection on what is the right route forward. The debate ought to go back to basics, namely programme standards, the choice of technologies and the industrial implications.

First, as your leading article (Octnber 13) stressed, it is undeniable that public broadcasting standards in this country are high and should be preserved. By contrast, standards in the United States have generally been lower and appear to be getting worse.

If both the BBC and IBA express serious concern about the future, it is the responsibility of Government, and of the Home Secretary in particular, to assess these concerns properly and satisfy the public that any changes will not be deleterious.

Second, bowever, there are signs of endemic inefficiency in many of the working practices in programme production, and the stimulus of some worthwhile competition may well be needed. Also, there appears tn be a good case for a limited number of extra channels, for instance for news and current affairs, fnr sports, for culture, for the best nf overseas programmes, for films, and for local affairs.

Somewhere there is a balance to be struck tn allow a greater diversity of viewing choice without undermining tbe existing revenue base and thereby the existing public service broadcasting standards.

Third, wherever this balance is struck, there is no obvious presumption that cable is the best means of delivery.

Satellite distribution offers the chance of universal coverage and could he more cost-effective than cahle in terms of the build-up of audiences and revenue or advertising base.

J. G. Anderson
25 Dorset Road,
SW19.

Policies

From Mr Anthony Rowley

Sir,—I found extraordinary the comments by Mr Leon Brittan, Secretary to the Treasury, during a BBC TV interview to the effect that the present government is pursuing the only realistic economic policies at present and ones which should command the respect and support of vnters. These policies appear to me to he literally ruinous and should earn the strictest censure at the ballot box.

It is naive almost beyond belief to think that British industry will emerge leaner and fitter, more competitive and more productive from the current monetarist episode. It will emerge even more run down and under-capitalised than it was when the present government took office and even less competitive in international terms.

Any benefit which bas been gained from the (tempnrary) abatement of inflation will have been more than eroded by an absurdly overvalued exchange rate for the pound. The nnly factor which will have changed in the equation will be labour costs, driven dnwn by an ever-rising level of redundancy and unemployment.

In other words, the crude monetarist approach of the Conservative government in this country and nf the Reagan administration in the United States is simply supressing the symptoms of inflation, not curing them. The whole thing is a monstrous confidence trick being perpetrated upon the unwitting electorate.

Why should monetarism command respect? It is a cowardly approach tn curing inflation inasmuch as it does not tackle it hy direct confrontation with the villains of the piece (even supposing these can be readily identified) but prefers instead to operate from a safe distance through the money supply.

At the end of this period of agony, whenever that may be, it will be discovered that the basic problem has not gone away. Any nation which aspires to economic growth and progress must still decide what level of inflation it can realistically tolerate and then find efficient and dynamic ways of preventing it getting ont of hand.

If (and it is a big if) wage costs really are the major contributory factor, then the government nf that nation must act directly on the cause nf the problem hy outlawing wage settlements above a certain level, agreeing a prices and incomes policy or concluding some other form of social contract. That is a courageous way of tackling the problem.

In any case, there is another way. Productivity and international competitiveness rises fastest in conditions nf expanding output and inflation can be dealt with just as effectively, if not more so, by raising the volume of goods and services a given quantity of money is chasing than by rednding the quantity of mmey chasing those goods.

Let the likes of Mr Brittan not resort to cant and hypocrisy in defending this dismal monetarist dark age. Let them admit rather that it is the last refuge of intellectual bankrupts who wish to hold back economic progress because they do not have the vision to see a way ahead.

Anthony H. Rowley,
15a Edith Grove, SW10.

Crossword

From Mr W. A. Freyenfeld

Sir,—Industrial disputes in other places are all very well, but do those concerned in your case not realise the anguish they are causing other fellow trade unlonists, by depriving them of the Crossword to relieve the monotony of the assembly line! Should not Len Murray intervene?

W. A. Freyenfeld,
10, Darwin Court,
Greenacres,
North Park, Eltham, SE9.

Unemployment

From Mr D. Pitts

Sir,—Whn is the MSC trying to deceive?—"A radical method of tackling unemployment—it's called Work," an insult to intelligence, particularly that of the unemployed. It is surely time that training monies were channelled into the sources which train young people fully for a skill, rather than a year's so-called experience, which many of us suspect is an attempt to take unemployment off the street before the General Election.

When will the Government make a serious attempt to face the problem of unemployment, and appreciate that a change in the working life is the only long term practical solution, for it is better to start sooner and alleviate yet more unattainable expectations.

D. Pitts,
David Pitts and Holt.
413 Cutler Heights Lane,
Bradford, West Yorks.

Life assurance

From Mr D. Saffer.

Sir,—In a recent "Money Programme" on BBC-2, Mr Mark Weinberg of Hambro Life Assurance expressed the opinion that the payment of a sliding-acale "volume" commission to registered insurance brokers (as npposed to a higher flat rate) is against the best interestes of the public, since it may cause the broker to give less than objective advice on the relative merits of competing insurance companies and their products.

This view may be defensible, even though registered brokers are bound by their Government-approved code of conduct to give objective and independent advice. However, I clearly recall that Hambro Life itself, during the first six years or so of its existence (ie, before it joined the Life Offices Association) operated the sliding-scala volume commission system without inhibition; indeed it would hardly be an exaggeration to say that the company was built up on the strength of that system.

What then is the cause of Mr Weinberg's late conversion to flat-rate commission? Could it be a fear of losing business to other companies using tha same method thst Hambro Life used so successfully in the past?

D. Saffer.
Registered Insurance Broker.
1, Beech Hill House,
Beech Hill Village,
Nr. Reading, Berks.

Pensions

From Mr C. L. Winter

Sir,—The situation regarding pension rights for early leavers or people who change their employment is diabolical. May I suggest the following:

a—Current company pension schemes are set aside on terms to be agreed.

b—Employers pay employees a large percentage, but not all, of the money they currently pay on the employees' behalf into pension schemes—thereby making this idea attractive to employers.

c—All employees would be obliged to enter into a pension arrangement with the company administering the existing pension acheme but the employees' position under the new scheme would be as an individual whose rights in this new scheme would not in any way he related to his employer. By this means the fears of the pension fund managers would be allayed.

C. L. Winter.
1 Burrows Close,
Great Bookham, Surrey.

Lloyd's

From Mr N. E. Dangoor

Sir,—Lloyd's share of world insurance has been slipping and now stands at an insignificant one per cent. When introducing the Lloyd's Bill to Parliament the late Sir Graham Page described Lloyd's as consisting of 50 extremely profitable syndicates, 300 that make a decent return and 50 losers. This is not the picture of a healthy market. A certain degree of cohesion must be aimed for.

The underlying principle at Lloyd's as spelled out by Chairman Sir Peter Green before the Meacher select committee, namely, each for himself and none for others, has been stretched to its limit and very often beyond its limit. This can no longer be acceptable.

A measure of mutual support among syndicates can be achieved by strengthening the Central Fund to cover not mnly policyholders but to some extent syndicates and names as well. In this way Lloyd's will no longer be the green pasture for the 50 "extremely profitable" syndicates and can expand with confidence to re-capture some of the business it has been losing to new insurance markets overseas.

If self-regulation as provided by Lloyd's Act 1982 is to replace the free-for-all that has resulted in a series of hair-raising scandals, with possibly more to come, then the new Lloyd's Council must assert its authority and breathe a sense of purpose into the market. The absurd need to go to some tropical island for re-insurance gives rise to many abuses and is only due to a bad tax regime. A sympathetic government can help Lloyd's make an even greater contribution to the balance of payments.

Some external members take the view that we should leave everything in the hands of our agents. But Lloyd's structure has changed and external members now provide virtually all the risk capital of the market. And while we can safely entrust our underwriting affairs to our agents, we ahould take an active interest in the overall policy of our Corporation at council level.

Even if external members wish to regard themselves as sleeping partners at Lloyd's they should still be involved in the constantly changing terms of the partnership.

N. E. Dangoor.
25 Albert Hall Mansions,
Kensington Gore, SW7

David Churchill, Consumer Affairs Correspondent, reports on the autumn battle in the High Street

Britain's supermarkets go to war

AN AUTUMN battle is under way among Britain's giant supermarket chains to capture a bigger share of the £24bn a year that households spend on food.

Autumn is the traditional time for a big promotional push by food retailers — before the start of the Christmas shopping spree—but this year the battle is particularly intense.

"It's becoming very tough indeed," says one stores chief who prefers not to be identified, lest his competitors realise quite how tough he is finding it.

Amid the struggle for customers, the sector is also in the throes of a major takeover bid: Linfood Holdings has launched a £72m bid for Fitch Lovell, whose interests include the 106-strong chain of Key Market stores in the lucrative southeast food market. If successful, the bid would make Linfood a substantial force in the second rank of Britain's grocery chains.

This move follows the expansion into the second division last summer of Mr James Gulliver's Argyll Foods which acquired Allied Suppliers from Sir James Goldsmith's Cavenham Foods. Allied's outlets include the Presto and Liptons chains.

Tesco, traditionally the chain which puts the pressure on when the going gets tough, has just stepped up the competition for customers with a two-pronged attack on the market. It has begun a massive £2.5m Press and television advertising campaign and at the same time it has opened the second of its experimental "Victor Value" stores, offering a limited range of goods at heavily discounted prices. The stores use new laser-scanning electronic checkout technology to cut operating costs and speed customer service.

Asda superstores also has just started a heavy advertising and promotional campaign, estimated cost more than £1m, which recently sent shivers through the stores sector of the stock market which fears the impact of any price-cutting war on supermarkets' profits.

J. Sainsbury, which has emerged over the past two years as the UK's most successful grocer, has just finished its annual early-autumn promotional campaign for fresh British produce, using national television advertising for the first time.

There are two key reasons for the intensity of the competition.

First, the rate of inflation for food prices is falling faster than had been expected. On an annual basis, it dropped from 8.6 per cent in June to 6.6 per cent in August (compared with the more general retail price index of about 8 per cent). The fall was given impetus by a glut of fresh produce on the market during the summer. "In some cases fresh foods were up to a quarter cheaper than 1981," points out Mr John Fletcher, managing director of Asda.

The problem for the supermarket chains — if not for the shopper — is that this puts extra pressure on them to increase sales volume and boost turnover, thus covering rises in their fixed costs—such as labour (with rates set by Wages Councils), energy, fuel, and rates.

The second fundamental reason for increased competition is that Britons are simply not consuming any more food at home. The market has been virtually static for the past decade — some £12.1bn was spent by households on food in 1971, compared with £12.4bn last year at constant (1975) prices.

Even the small increase indicated by these figures does not mean any increase in the volume of food bought from supermarkets: most of the increase represents a trading up into more expensive quality and convenience foods as well as more eating out.

At current prices, food sales last year rose by 4.7 per cent to £24.3bn. But after allowing for price rises, the market actually declined last year by 2 per cent in real terms.

Even more significantly, 1981 saw a fall in the proportion of total spending by households on food — from 17.2 per cent to 16.2 per cent. "As far as I can remember, this is the first time that the proportional spending on food has declined in a year when real incomes have fallen," comments Dr John Beaumont of the Institute of Grocery Distribution.

Mr John Allan, marketing director of Fine Fare, succinctly sums up the effects: "The combination of a static food market and a multiple sector hungry for growth has led to radical change and intense competition."

"Radical change" has involved the steady rise of the multiple supermarket chain and the rapid demise of the small independent grocer. Multiple grocers over the past decade have tended to increase their annual sales volume by about 5 per cent, while independent grocers have lost sales at about the same rate.

Over the past six years multiples have increased their market share from 56.9 per cent to 68.5 per cent, while independents have fallen from 22.6 per cent to 14.1 per cent. The co-operative retail societies' share has also fallen—from 20.4 per cent to 16.9 per cent.

The much larger size of the supermarkets — the average multiple has around 20,000 sq ft of selling space compared to less than 5,000 sq ft for most independent grocers — allows more attractive and varied product ranges, better store lay-outs, the use of new technological equipment, and a higher volume of sales, allowing cut prices.

Thus the average multiple has annual sales of £1.7m, compared with £450,000 for a typical Co-op, and only £78,000 for the average independent.

On a sales per sq ft basis, an average multiple retailer in 1980 had £5.40 sales, a co-op £3.50, and an independent £3.45.

A crucial element in the rise of the multiples has been the dynamic growth of the top half dozen, which have grown considerably faster (real annual sales growth of 10 per cent) than their smaller rivals. The "Big Six" are Tesco, Sainsbury, Asda, Fine Fare, International, and Allied Suppliers. These now account for some 52 per cent of the market—a rise of 3 per cent in the past two years.

The increase in concentration is of growing concern to the Office of Fair Trading, worried that the bulk buying power of these giants and their ability to squeeze large discounts out of food manufacturers may be harmful to the consumer in the long run, by forcing manufacturers out of business.

The top two supermarket chains are J. Sainsbury and Tesco, both with annual turnovers just short of £2bn, although Sainsbury's profit ability at nearly £90m is twice that of Tesco's. Over the past year, Sainsbury has spurted ahead of Tesco in terms of packaged grocery share with about 15 per cent of the market, with Tesco at about 14.5 per cent. Asda, which operates only large superstores, is third with about 8.5 per cent of the market. (In strict terms, the 150 or so retail co-operative societies form the largest single group with over 15 per cent of the market, but since each society operates independently it is difficult to compare them with the major multiples.)

The "second division" has Fine Fare, International, Allied Suppliers, and Kwik Save, with about 4 to 5 per cent of the market each. If Linfood, which operates a number of regional stores (such as Gateway and Carrefour) manages to acquire Fitch's Key Markets chain, it will just creep into this division.

The "third division" includes a number of regional multiple supermarkets, such as Hillards, Morrisons, and Wm Low, as well as Safeway, the John Lewis Partnership's Waitrose chain, and major voluntary groups such as Spar and VG.

The "fourth division" comprises the 40,000 or so small independent grocers which—like their counterparts in the Football League—are finding it a struggle to survive rising costs, falling sales, and the competition from the "glamour" retailers such as Tesco or Sainsbury.

Competition between the divisions and the major chains has taken several forms:

● Price: Although convenience, car-parking facilities, and speed of checkouts are all important to the shopper, price remains the key factor behind the dynamic growth of the major multiples. Tesco led the way in 1977 with its Operation Checkout campaign which cut food prices dramatically and all the other majors have had to follow suit. However, Tesco is no longer the cheapest multiple for food, as both trade surveys and a recent Which? magazine survey showed.

But there is no general move—or desire—for a full-scale price war along the lines of the late 1970s. The multiples know that the sheer advantages of their size—especially in bulk-buying—will enable them to take market share away from the co-ops and independents rather than from each other, without the need to savage profitability by deep price cuts.

● Own-labels/generics: Supermarkets are increasingly promoting their own-label products as "alternative" brands to those produced by the food manufacturers themselves. Own-label products in many chains are of the same quality, or even higher, than the branded goods but can be sold cheaper because they do not carry the branded goods' overheads of promotion and advertising.

At the same time, most of the leading chains have introduced ranges of basic products which,

TOP SIX FOOD RETAILERS

	Turnover £bn
Tesco	1.99
J. Sainsbury	1.95
Asda	1.3
Fine Fare	0.9
International Stores	0.8
Kwik Save	0.4

because they are of a lower quality and more simply packaged, are aimed at the really price-conscious consumer. These ranges are called generic, or no-frills products.

● Discount stores: Stores such as Kwik Save and Shoppers Paradise (a subsidiary of Fine Fare) have for some years operated as basic-range outlets. They offer only 500 to 1,000 of the most popular products and sell at cut-prices because of the high volume turnover.

● Laser-scanning checkouts: Tesco is using the new electronic checkout technology in its experimental discount stores and also leads the way with laser-scanning installations in some six stores at present. These new checkouts use a low-power laser beam to "read" the "bar-code" printed on most grocery products. This bar-code, a series of black lines of varying thicknesses, represents a special number which identifies each product in the in-store computer.

The system reduces costs—individual price marking of products is made redundant—while giving a store more stock control and management information.

● Superstores: Much of the major groups' financial and other resources are going into superstore development (stores with more than 25,000 sq ft of selling space). These stores enable retailers to achieve higher volume of food sales as well as develop into other non-food areas.

At present there are about 300 superstores in the UK, with most trade estimates suggesting a doubling of this number over the next five years. However, there is a danger of over-supply in some areas. Perth, for example, which has a population of 48,000, will have five superstores competing for sales by the end of this year.

All these trends will mean a further polarisation of the grocery sector during the 1980s, with the major multiples dominating trade but with the small independent grocer still finding a niche, by offering better service and more convenient opening hours.

The real fear of supermarket chiefs, however, is that when no more growth can be had at the expense of the small grocer, the multiples will have to fight it out among themselves. That's when the real supermarket war will start.

Weekend Brief

Best of the glittering prizes

It may not be a truth universally acknowledged, but it is widely agreed that Graham Greene, Muriel Spark, and Anthony Burgess are alive, British, and busy writing some of the best modern novels around. None of them has ever won the Booker McConnell Prize, Britain's most prestigious and highest paying fiction award. £10,000 is serious money. John Fowles has never won it; and neither has Fay Weldon. As if to demonstrate that fact is always stranger than fiction, Iris Murdoch won it in 1978, for her 19th novel.

Booker ballyhoo reaches pyrometric heights again on Tuesday, at a dinner at Stationers' Hall. Glared upon by television lights and literary tipsters, this year's six nominated novelists will watch five wan judges—they have read, argued about, and possibly shed blood over 90 novels—emerge from their fastness to announce a winner. Naturally, Ladbroke's has a book on it.

John Arden, the playwright, is nominated for his first novel. William Boyd and Timothy Mo, barely in their 30s, are shortlisted. Alice Thomas Ellis is a publisher as well as a novelist. Thomas Keneally has been nominated three times before. Lawrence Durrell, grand old master of voluptuous prose, brother of Gerald and other animals, is in the running. Like all serious writers in any generation, they know that the lack of having talent is not enough. One must also have a talent for luck.

The National Book League lists nearly 200 literary awards and prizes, mostly in the £50-£1,000 range; with the odd carriage clock and silver-mounted quill thrown in. The Booker prize is by far the most valuable: twice the new Sinclair Prize of £5,000 "plus possible publication" for an unpublished novel "with great literary merit and social (or political) significance." It will be cherished by the fastidious, the dotty, and novelists who fear commercial success.

Booker eclipses the Whitbread Literary Awards (£3,000 each for the "best" novel, "best" children's book, "best" biography) and the W. H. Smith (£2,500 for "the most outstanding contribution to English literature"). Beyond it, if you are British, towers an international Everest: the £100,000 Nobel Prize. Sam Beckett won it in 1969; the year the Booker prize was established.

We can argue that success in terms of literary recognition cannot be measured out in medals, shields, or cash awards of any size. But prizes can and do stimulate interest in books, as well as book sales. Dinky gold- and silver-plated daggers like those awarded to Crime Writers' Association winners are for ornamental purposes only, please.

William Boyd, who has already won three prizes, will be glad when the Booker fuss dies down. "They're part of the sideshow," he said; "and novel writers have to be chameleons. Remember the Auden poem?" No prizes for guessing. The Novelist is short and bleak: 14 lines of loneliness for posterity.

The youngest and oldest contenders for the Booker £10,000: William Boyd, 30, and Laurence Durrell, 70

Big Ben stops for charity

Only Dr Who can really make time run backwards. But someone with less exotic skills is at least to be given the opportunity to put the clock back.

The clock is Big Ben, and the winner of an unusual draw to raise money for the Cancer Research Campaign will have the pleasure of officially bringing British Summer Time to an end on October 24.

The paradox is that to put Big Ben back you have to wind it forward.

Twice a year in the Palace of Westminster time stands still for about four hours. First the pendulum is disengaged at about 3.45 pm, the clock stops and the light in its face is extinguished. Then the area behind the clock face, 325 steps up the tower, becomes a hive of activity as six months' worth of essential maintenance is carried out.

Around 1 am (Summer Time)—and this is where the draw winner really gets his/her chance—the clock is hand-cranked forward to be restarted with the hands at 12 midnight. By 2 am or 3 am depending on when the oiling is complete, the clock face is lit again.

The winner of the draw, which is free but which the organisers hope will be accompanied by a donation, will travel to Big Ben by Rolls-Royce and stay two nights in the London Hilton with a guest.

Already more than £10,000 has been sent in the Big Ben appeal c/o the Cancer Research Campaign, 2 Carlton House Terrace, London SW1.

The idea for the draw came from Mr Roy Parker group chief accountant for Combined English Stores. Thinking up unusual ways of raising money for charity is a hobby and a little light relief from the tight disciplines of accountancy.

The balances of the Luton branch of Cancer Research Campaign have been transformed since Roy joined in January.

Last year the group raised a total of £4,800. In the first six months of this year the figure was £10,000. Roy Parker suggested a sponsored fun run around Whipsnade Zoo when even the camels and a dolphin display were sponsored. The event raised £7,000.

The Big Ben draw was a bit more difficult. He first contacted Sir George Young, Under Secretary of State at the Environment Department in June. Permission came back from "Within the House of Commons" in August.

But just this week there came sad news for Roy Parker which reinforced the importance of what he is doing. An uncle who has been suffering from cancer for the past 18 months died last Thursday.

Anyone going to the Suntory World Matchplay golf championships at Wentworth this weekend will probably see Roy Parker.

He has been given permission to go with a mobile wishing well he has built to raise a lot of money for cancer research.

The high or low Sierra?

As from this week, you can march into your local car showroom and inspect the biggest gamble Ford has taken since Old Man Henry's day: the much-hyped Sierra.

To the hard-nosed fleet manager, it's supposed to be the successor to that reliable everyday workhorse, the 20-year-old Cortina, beloved by travelling salesmen and car hire company alike. But to you and me, it's intended to appeal to all sorts of hidden emotions—and not only those unmentionable ones normally associated with cars.

Stephen Bayley, director of London's new Boilerhouse design gallery, traces the Sierra's lineage back to avant-garde products like the Rover SD1 and the idyosyncratic Citroen range (the stylish CX and its family, not the ancient 2CV). In his catalogue for the stunning new Boilerhouse exhibition on how the Sierra was designed—"the most thorough exhibition on car design ever held in the world," he claims—Bayley shows how the Sierra draws on the work of several futuristic Italian design houses.

For some years, these have been building prototype "ideas cars" which fuse together an obsession with aerodynamics, the requirements of safety legislation and the best possible "package"—the squeezing of as much interior space as possible into tightly restricted exterior dimensions.

The result is a vehicle which, simply reeking of high technology and sleek style, achieved Ford's ambition of at last distinguishing itself clearly from the mass of Japanese imports which have been threatening to wipe Ford off the mass market map. It is certainly likely to drag customers away from Audi and BMW and it may also succeed in expanding the overall market, but will it by the same token alienate Ford's bread-and-butter market, the fleet buyer?

It was precisely this doubt, Bayley says, that made the Ford heirarchy so reluctant to allow the Sierra to be built at all, in spite of some forceful championing of the design by the company's then European chief, Bob Lutz—himself ex-BMW and a car fanatic — and its head of design, Uwe Bahnsen.

The company's choice of the Sierra design, against a range of far more conventional alternatives, was "a triumph of visionary design over the more conservative elements in the marketing department," Bayley points out. When the dramatic Sierra did badly in consumer clinics — which have always been the lodestone of Ford's product development process — Bahnsen succeeded in convincing his sceptical colleagues that someone who had just spent all his — or his company's — savings on a traditional looking car was hardly going to make himself look a fool by approving something radically different.

Bahnsen, a mutton-chopped but elegant German whose appearance belies his 52 years, attributes much of his ability to convince Ford's sceptics to the commercial success of his team's previous design, the new Escort, which has rapidly become the world's best-selling car. He has clearly also made headway with the gradual demolition of the company's traditionally exaggerated belief in the value of market research. "Some people have a tendency to use it as a decision-substitute," he complains, "rather than as just another piece of information."

Loose living ain't all that bad

A massive, lengthy and very expensive clinical investigation into the causes of heart attacks in the U.S. has produced somewhat embarrassing results for the 28 institutions and 250 investigators involved in the programme. After spending $115m over a 10-year period, they have found no significant differences in the incidence of heart attack between a group who received special medical attention and another that received more ordinary medical care.

The idea was to take some 13,000 middle-aged men who were reckoned to be more than usually vulnerable to heart disease. Some were given normal medical treatment, while others received special treatment for hyper-tension, counselling for cigarette smoking, and dietary advice for lowering blood cholesterol levels. The average period of observation was seven years.

At the end of it all, both groups experienced substantially lower mortality rates than had been expected. But the rate for the special care group — 17.9 deaths per thousand—was only marginally lower than the 19.3 deaths per thousand recorded by the loose living crowd. The difference was not big enough to produce any conclusions at all.

American doctors are still scratching their heads about the implications. One curious feature is that whereas measures to reduce smoking and lower blood cholesterol levels do seem to have helped, the statistics show an unexpectedly high death rate in the special care category among some hypertensive patients with abnormal electrocardiogram readings who were given special drug treatment. According to the Journal of the American Medical Association, this observation needs to be treated with caution, since it flies in the face of current medical dogma and practice.

But the main problem seems to have been that the people who did not receive special care appear, most unsurprisingly, to have taken their own measures to keep ticking along. As the Medical Journal observes, with forgivable irritation." It would seem that the investigators underestimated the effects of identifying patients as high risk and informing them of it."

Contributors:
Gay Firth
Christopher Lorenz
Raymond Snoddy
Richard Lambert

Economic Diary

TODAY: EEC Foreign Ministers informal two-day meeting opens, Nyborg, Denmark.

TOMORROW: Department for National Savings' monthly progress report for September.

MONDAY: September provisional figures for retail sales. EEC Agriculture Ministers start two-day meeting, Luxembourg. FT two-day European Banking Forum opens, Inter Continental Hotel, W1. Water and sewerage workers 24-hour national strike over pay claim. Nobel Physics and Chemistry prizes announced, Stockholm.

TUESDAY: Mrs Margaret Thatcher meets Dr Helmut Kohl, West German Chancellor, in London. Lord Denning delivers Institute of Directors annual lecture, Cafe Royal, W1.

WEDNESDAY: September cyclical indicators for the UK economy. Industrial and commercial companies' capital account and net borrowing requirement for second quarter. August indices of average earnings. September indices of basic rates of wages. New construction orders for August. British Telecom unions day of action against privatisation. Stormont Assembly elections, Northern Ireland. Short Lords debate on GATT. Nobel Economics prize announced, Stockholm.

THURSDAY: Institutional investment in the second quarter. Public sector borrowing requirement and details of local authority borrowing for third quarter. National Union of Seamen present pay claim. Sir Geoffrey Howe, Chancellor of the Exchequer, speaks at bankers' dinner, Mansion House.

FRIDAY: Sales and orders in the engineering industries during July. Commons debates report of the Scott Committee on the value of pensions. Mr William Whitelaw, Home Secretary, opens Motor Show, NEC, Birmingham.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	7.50	7.75	9.00	9.25 1-year high option, 9.25 6 years sixty plus, 8.50 min. £100, 7 days' notice no interest loss
Aid to Thrift	8.50	8.75	—	—
Alliance	7.50	7.75	9.50	9.25 4 years, 9.25 £500 min. 2 mths.' not. or £100 + 60 days' int. pen.
Anglia	7.50	7.75	9.00	9.25 3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	7.50	7.75	9.25	9.75 5 years, 8.85 2½ years
Bradford and Bingley	7.25	7.75	9.00	8.75 1 m. not. or on dem. (int. pen.)
Britannia	7.50	7.75	9.00	9.25 Option Bond, 9.00 2 mths.' not.
Burnley	7.50	7.75	9.00	9.25 3 yrs., 2 m. not.; 8.75 1 m. not.
Cardiff	7.50	8.50	9.25	—
Cardiff	—	‡9.00	—	— ‡ Share a/c bal. £10,000 & over
Catholic	7.50	8.00	9.00	9.25 3 mth. notice £5,001 + 9.50
Century (Edinburgh)	8.15	8.65	—	10.15 2-4 years
Chelsea	7.50	7.75	9.00	9.50 3 yrs.—90 d. not. on amt. wdn.
Cheltenham and Gloucester	7.50	7.75	9.00	—
Cheltenham and Gloucester	—	8.75	—	— Gold Account Savings of £1,000 or more. No notice—No penalty
Citizens Regency	7.50	8.00	9.50	9.10 3 mths.' notice/1 m. interest loss
City of London (The)	7.75	8.10	9.25	9.25 C.C. shs.—4 mths.' not.—no pen.
Coventry Economic	7.50	7.75	9.25	9.50 4 yrs., 9.25 3 yrs., 9.00 3 mths.
Derbyshire	7.50	7.75	9.00	8.25-8.85 (3 months' notice)
Guardian	7.50	8.00	—	9.75 6 mth., 9.25 3 mth., £1,000 min.
Halifax	7.50	7.75	9.00	— Min. £500, 1½% prem., gntd. 5 yrs., 3 mths.' not. interest pen.
Heart of England	7.50	7.75	9.00	— 1 m. not. 8.75, flexl tm. 5 y. 9.25
Hearts of Oak and Enfield	7.50	8.00	9.50	9.75 5 yrs., 9.25 6 mth., 9.00 4 mth.
Hemel Hempstead	7.50	7.75	9.00	9.75 3 years, 9.50 3 months
Hendon	8.00	8.75	—	9.50 8 months, 9.25 3 months
Lambeth	7.50	8.00	9.50	10.00 5 years, 9.75 6 months' notice
Leamington Spa	7.60	7.85	10.65	9.35 1 year
Leeds and Holbeck	7.50	7.75	9.50	9.75 5 yrs., 8.75 1 month int. pen.
Leeds Permanent	7.50	7.75	9.00	9.25 3 yrs., E.I. a/c £500 min. 8.75
Leicester	7.50	7.75	9.00	9.25 3 years, 9.00 3 months
London Grosvenor	7.00	8.25	11.00	8.75 3 mths.' notice 1 mth. int. pen.
Midshires	7.50	7.75	9.00	9.25 1 year, 3 months' notice, no pen.
Mornington	8.30	8.80	—	—
National Counties	7.75	8.05	9.05	9.75 6 mths., min. deposit £500, 9.00 1 mth. min. deposit £500
Nationwide	7.50	7.75	9.00	9.25 3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 8.75 £500 min. imm. wdl. with penalty
Newcastle	7.50	7.75	9.00	9.75 4 yrs., 8.75 28 days' notice, or on demand 28 days' int. penalty
New Cross	8.25	8.50	—	8.50-9.00 on share accs., depending on min. balance over 6 months
Northern Rock	7.50	7.75	9.00	8.75 High Int. Share 9.25 3 yrs.
Norwich	7.50	7.75	9.00	8.75 3 yrs., 8.50 2 yrs.
Paddington	7.25	8.25	9.75	9.25 1 month's notice
Peckham	8.25	8.50	—	9.00 2 y., 9.5 3 y., 10.0 4 y., 8.75 Bns.
Portsmouth	7.85	8.05	9.55	9.90 5 yrs., 9.50 6 mths., 9.00 1 mth.
Property Owners	7.75	8.25	9.75	9.75 4 yrs., 9.75 6 mths., 9.25 3 mths.
Provincial	7.50	7.75	9.00	9.25 3 years, 8.75 1 month
Scarborough	7.50	7.75	9.00	8.75 Money Care, no notice, no pen., plus free life cover
Skipton	7.50	7.75	9.00	8.85-9.00 (1 mth.), 9.25 3 yrs.
Sussex County	7.65	7.90	9.65	8.40-9.40 all with wdl. option
Sussex Mutual	7.75	8.10	9.75	8.50-9.75
Town and Country	7.50	7.75	9.00	9.50 3 yrs., 60 days' wdl. notice; 9.00 imm. wdl. 28 days' interest loss
Wessex	7.75	8.80	—	—
Woolwich	7.50	7.75	9.00	9.25 90 days (int. loss), 8.75 immed. access (int. loss) or 28 dys.' not.
Yorkshire *formerly* Huddersfield & Bradford and West Yorkshire	7.50	7.75	9.00	9.25 5 yrs., 9.25 4 yrs., 8.75 3 yrs., 8.25 2 yrs., 9.00 Golden key, 28 days' penalty interest

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK COMPANY NEWS

Forward Technology loss up £0.6m

FULL INTERIM results of Forward Technology Industries show that pre-tax losses have increased from £370,000 to £973,000 for the first half of 1982. With the deficit per 25p share up from 2.1p to 7.9p, there is no interim dividend.

On Wednesday, the company announced that it had placed two of its subsidiaries—Hunter-Penrose Littlejohn and Forward Plastics—into receivership. These subsidiaries were responsible for losses of £1.02m (£173,000) pre-tax in the period, of which £274,000 (£166,000) related to interest charges.

From July 1 to the date of receivership (October 13), the non-continuing activities incurred trading losses of around £300,000 and interest charges of some £160,000. These operations had net book assets of about £3.5m, before bank borrowings of £4.3m as at October 13, 1982. No provision has been made for any adjustment which may arise on the realisation of these assets.

The continuing activities of the group made trading profits of £807,000 during the period, compared with £174,000 for the same period of 1981. However, higher interest charges—arising mainly from the acquisition of Colortran—virtually absorbed the profit leaving a pre-tax surplus of £52,000 (£197,000 loss).

	First half 1982 £000	1981 £000
Sales	22,267	18,948
Electronics & special machinery	13,456	8,808
Sound reproduction	3,409	3,100
Graphic arts*	3,626	4,721
Plastics*	1,776	2,319
Operating profit	234	371
Electronics & special machinery	886	273
Sound reproduction	99	105
Graphic arts loss*	402	†207
Plastics loss*	349	214
Central overheads	178	304
Interest charges	1,029	537
Loss before tax	973	370
Tax	‡336	—
Net loss	1,309	370
To minorities	29	§18
Extraordinary debits	84	277
Dividend	—	191
Leaving loss	1,422	820

* Non-continuing activities † Profit. ‡ Includes ACT of £233,000 written off. § From minorities.

The continuing companies are expected to trade profitably in the second half of the year and the recent reduction in interest rates will be of considerable benefit to the group.

The group's continuing operations are in electronics, special purpose machinery and sound reproduction. Last year, dividends totalling 3p net were paid, of which the interim accounted for 2.3p. Pre-tax loss was £691,000.

● comment

Forward Technology has been able to give the best possible gloss to its results by putting its two loss-making subsidiaries into liquidation on Wednesday. The market was suitably impressed by accounts distinguishing the massive losses of the discontinued activities from the small profits of the surviving companies, and the share price rose from 10p to 14p. Without its two cash-draining subsidiaries, the group has less of a cobbled-together look about it and the remaining companies are all linked in their manufacturing technologies. The sound recording division's turnover has continued rising in the second half and the company has boosted its share of the UK record and tape market with its emphasis on budget lines. Buoyant demand abroad upped the profits of the electronic division's subsidiaries by 90 per cent—excluding a recent acquisition. Although the group is now benefiting from the fall in interest rates, the ratio of debt to shareholders' capital is estimated at over 150 per cent, even without the two loss-makers. The small management team still lacks the benefit of outside critical advice but an air of optimism surrounds the group once again.

Strong demand for STC

By Carla Rapoport

THE £210M offer for sale of 40m shares in Standard Telephones and Cables closed in one minute yesterday morning, heavily oversubscribed. An announcement of the basis of share allotment to successful applicants will be made within the next few days.

Eager investors began queuing up outside Midland Bank's Pepys Street branch in London yesterday morning at 7.30 am. The doors were opened at 8 am and an "orderly rush" ensued, according to a Midland bank official. The bank's doors were shut at 10.01, when the offer was officially closed.

International Telephone and Telegraph, STC's U.S. parent, decided to sell off the shares just over a week ago in order to raise £210m and reduce its stake in the British company from 75 per cent to 35 per cent. The price for the offer for sale was fixed at 525p on October 8. Since that time, the shares have strengthened and yesterday they closed at 600p.

This guarantees successful applicants an immediate profit of 14 per cent if they decide to sell their shares as soon as they receive them, provided the share price does not slip.

As the issue has been heavily oversubscribed, bankers estimate that well over £1bn will be tied up over the week-end as the applications are sorted. This should not place any undue strain on the money markets as the movement is within the private sector.

Midland bank reported on Thursday that some 16,000 applications had already been received for the offer for sale and at least 150,000 applications were expected yesterday.

S.C. Warburg, the merchant bank, is advising the companies, while stockbrokers to the issue are Cazenove and L. Messel.

No Possfund opposition to M & S property deals

The Post Office Staff Superannuation Fund is not to oppose a resolution to be put before the shareholders of Marks and Spencer next month, which seeks shareholders approval for a series of property deals arranged for the benefit of directors.

The move follows the publication of the property deals in a circular just dispatched to shareholders.

Marks and Spencer was forced to issue its circular after Mr Ralph Quartano, chief executive of the Post Office Staff Superannuation Fund, a large shareholder in Marks and Spencer, criticised the lack of disclosure. He insisted that all forms of property transactions needed disclosure under the latest companies legislation and questioned, in a letter to Sir Nicholas Goodison, chairman of the Stock Exchange, the right of seven directors of Marks and Spencer to lease houses from the company without the approval of shareholders.

Lord Sieff, chairman of Marks and Spencer, has admitted to shareholders that there had been an "omission" when the property transactions were not fully disclosed to shareholders and their approval not sought.

The total cost of the properties "was not, in the opinion of the board, so significant in relation to the company's business as to require publication in the company's annual reports and financial statements to comply with the statutory requirements for any year before the Companies Act 1980 came into effect," says Lord Sieff. The board had taken a similar view in notifying the Stock Exchange.

"The Stock Exchange has, however, informed the board that these transactions, being with directors, should have been referred to the Stock Exchange before they were entered regardless of size. As a result of this omission, the Stock Exchange has asked that shareholders be given an opportunity to consider the transactions at a general meeting."

In his circular to shareholders Lord Sieff says that the purpose of the directors' property transactions "was to provide assistance for those directors who wanted it, to purchase or maintain their homes in or near London. From 1973 onwards properties have been bought from or for individual directors and rented to them; in certain cases the director was given an option to purchase the property at its cost to the company . . . some of these transactions have been completed and others remain outstanding at the present time."

He continues: "The policy of the company for many years has been to make loans available to executive and management staff to assist them with their housing needs. Some £9m is currently on loan, free of interest, to help them purchase, extend or improve their homes. No such simple scheme was possible for directors as the company was, and is, prohibited by law from making such loans.

"The effect of these transactions has been to provide certain directors with an alternative benefit to that which they would have enjoyed had they been able to borrow money from the company. The total of the sums involved in the outstanding transactions is about £1.7m, in connection with which, the directors concerned pay rents totally approximately £17,500 per annum. These figures should be seen in the context of the total assets of the company of about £1.4bn at March 31, 1982, and profits before tax over £200m for the year ended on that date."

Lord Sieff said that the Stock Exchange had decided that the transactions should be put before shareholders to gain their approval.

"Your directors have also reviewed the procedures which were followed. For many years the company's property transactions have been dealt with by certain designated directors acting as an estates committee. The transactions under consideration were similarly dealt with, the interest of each participating director being disclosed to the committee.

"The directors are now advised by the company's solicitors, Linklaters and Paines that these procedures may not have been appropriate for dealings with directors. If the company were so to determine, the transactions or at least some of them, or the benefits flowing from them, might therefore be capable of cancellation by the company. The passing of the resolution . . . would have the effect of removing any doubts and of validating all the transactions as far as it may be necessary to do so. . . ."

No further property transactions with directors are presently envisaged and the directors involved in the disclosed transactions will not vote in the extraordinary general meeting on November 3 when the resolution is put before shareholders.

OUTSTANDING TRANSACTIONS

Name of director and where appropriate connected person	Property Cost (nearest) £'000	Company's Tenure	Acquired from	Date of Acquisition	Length of lease to director and/or, where appropriate, to the connected person
Lord and Lady Sieff	425,000	Leasehold to 2057	Lady Sieff	24 July 1979	5 years from 24 July 1979
Mr M M Sacher	239,000	Leasehold 2040	Open Market	22 May 1980	5 years from 24 June 1980 with option to extend for further 5 years but subject to option on the tenant's part to determine on one year's notice
Sir Derek Rayner	121,000	Leasehold to 2013	Open Market	23 June 1978	7 years from 28 November 1978
Mr R Greenbury	212,000	Leasehold to 2029	Open Market	16 February 1979	5 years from 16 February 1979
Mr H N Lewis	260,000	Freehold	Mr H N Lewis	28 December 1979	4 January 1980, to 24 June 1985
Mr F C Hirst	119,000	Freehold	Mr and Mrs F C Hirst	13 June 1979	13 June 1979 to 28 September 1984
Mr A K P Smith	189,000	Freehold	Open Market	11 October 1978	5 years from 3 August 1979
Mr P H Spriddell	180,000	Freehold	Open Market	18 April 1979	3 August 1979 to 29 September 1985

COMPLETED TRANSACTIONS

Name of director	Property Cost (nearest £'000)	Company's Tenure	Acquired from	Date of Acquisition	Option details, where applicable
Sir Derek Rayner	49,000	Lease to 2037	Open Market	26 March 1973	No option granted; property reverted to the Company and was sold on 30 November 1978
Mr J J Salisse	100,000	Lease to 2906	Open Market	3 January 1974	Option period 5 years from 25 March 1974. Option exercised 23 February 1979
Mr R Greenbury	75,000	Freehold	Mr and Mrs R Greenbury	12 February 1975	Option period 5 years from 12 February 1975. Option exercised 16 June 1979
Mr M M Sacher	70,000	Lease to 2009	Mr and Mrs M M Sacher	26 March 1975	No option granted; property has reverted to the Company and is being marketed with vacant possession
Mr J A Rishworth	58,000	Freehold	Mr J A Rishworth	1 January 1977	Option period 5 years January 1977. The transfer to Mr Rishworth on exercise of option was completed on 18 March 1980
Mr J A Rishworth	153,000	Freehold	Open Market	26 July 1979	Option period 7 November 1979 to 31 March 1986. Option exercised 3 March 1981

Hammerson climbs to £8.69m at six months

GROSS RENTAL income at the Hammerson Property Investment and Development Corporation climbed from £24.67m to £30.66m in the first half of 1982. Pre-tax profits rose from £6.62m to £8.69m.

Rents payable and other property outgoings were higher at £11.8m compared with £8.83m, and there were gross profits of £1.53m this time from property trading—initial figures from this source in the second half last year amounted to £1.21m. Other income improved from £883,000 to £1.36m.

Cost of finance and administration and other charges increased from £12.35m to £17.11m. The transfer to cost of properties was £4.15m (£2.23m).

After minorities of £348,000 compared with £662,000, attributable profits before extraordinary items advance by £1.12m to £4.34m. The interim dividend is 3p on the enlarged capital—last year's total was 11p net from pre-tax profits of £15.68m. Earnings per 25p share, adjusted for rights issue, rose from 6.85p to 8.56p.

There was a surplus on sale of properties of £687,000 (£267,000).

● comment

Generally speaking, Hammerson's reticence to give information makes analysis of the company difficult. What is more, because the property business does not run according to regular patterns, interim results tell little, if anything, about future prospects. Hammerson has grown consistently and rapidly, though, since 1975, and yesterday's results just confirm this trend. Gross rental income was up by 24 per cent, and pre-tax profits by 31 per cent. Stated earnings per share were 25 per cent higher than last year. Overseas business accounts for over half of the total, and Hammerson is one of the very few UK property companies which manages to make profits there. Canada, in particular, has shown very good returns. Uncharacteristically, the company was quite forthcoming yesterday. Business, it says, has been good since June, and it expects to make around £19m pre-tax profits by the year end. It intends to increase the final dividend by 2p, which would give a prospective yield of 3.3 per cent. The asset value per share is thought to be around £9, which, with the shares at 560p, gives a discount of 37 per cent—about par for the sector.

Headway by Lee Cooper at interim stage

DESPITE continued depressed trading conditions throughout Europe and a weaker French franc, which had a considerable effect on French subsidiary results when translated into sterling, Lee Cooper Group, the jeans and casual wear manufacturer, pushed pre-tax profits for the first half of 1982 ahead from £4.61m to £4.85m on turnover of £45.02m against £40.41m.

Of the period, Lord Marsh, the new chairman, reports that trading in the UK and northern Europe has been particularly difficult and, at present, shows little sign of immediate improvement.

Currency differences remain a problem, he explains, but the directors remain confident for the future and anticipate full year results will be satisfactory.

Tax for the six months took £2.38m (£1.93m), leaving net profits down from £2.62m to £2.47m and earnings per 25p share lower at 14.94p (15.27p). On these, the net interim dividend is being stepped up from 1.16p to 1.23p at a cost of £190,000 (£180,000). Last year's total distribution was 3.017p from profits of £9.09m.

First half minority profits amounted to £145,000 (£247,000) and exchange losses of £1.22m, arising on the restatement of assets and liabilities in existence at the beginning of the year, have been included in extraordinary debits of £1.26m (£627,000).

For comparative purposes, turnover and pre-tax profits for the first half of 1981, when translated at the exchange rates of June 30, 1982, become £33.55m and £4.5m respectively.

Lord Marsh reports that the UK factory at Harold Hill was closed on May 7 and production has been increased at the Helston plant. In western Europe further progress has been made, especially with the group's French and Belgian subsidiaries.

Greenbank to diversify as profits slump

Dealings in Greenbank Trust shares were suspended at 135p yesterday as the company, an investment trust, announced a fall in pre-tax profits and plans for a significant change in objectives and operations.

For the 15 months to March 31, 1982, pre-tax revenue totalled £6,036, compared with £60,409 for the previous 12 months, and the dividend for the period is cut to 1p net against last year's 4p.

Tax took £2,414 (£18,989) and earnings per 25p share are shown to have declined from 5.18p to 0.45p.

The directors point out that results do not reflect benefits of reorganisation work undertaken which, however, is expected to accrue in the current year.

By way of implementing the general policy of diversification, negotiations are now in hand for the acquisition of a substantial property asset, details of which will be announced when terms are finalised.

Streeters first half slump to £16,000

REFLECTING continued trading difficulties in the civil engineering industry, pre-tax profits of Streeters of Godalming, public works and civil engineering contractor, fell from £161,000 to £16,000 in the first half of 1982 on lower turnover of £4.65m against £4.96m.

Tax took £8,000 (£84,000) for earnings of 0.1p (1p) per 10p share, and the interim dividend has again been omitted.

The directors say it has been extremely difficult to obtain sufficient new work, but recently the situation has improved resulting in a better order book. Over the next few months the grou phas more tender opportunities than in the earlier part of the year.

The group continues its association with Costain and the preparation of joint tenders has had the effect of drawing the companies more closely together.

Plans for developing a site at Godalming are progressing. Planning permission for two additional industrial units has been granted, enabling the project to start at the discretion of the directors.

When completed, this development will significantly increase the property content of the group's balance sheet.

Arbitration relating to Saudi Arabian contracts is nearing completion and it is hoped that the arbitrators will make their findings known shortly thereafter. It is still to early to predict the outcome, say the directors, but no liabilities are expected to accrue to the group.

On a CCA basis the group's pre-tax loss was £41,000 (profit £73,000).

Ellerman dives into red

THE SHIPPING, brewing and travel group, Ellerman Lines, has plunged into the red in the first half of 1982 following modest gains last year. Sir David Scott, the chairman, says a mid-year loss before tax of £4.31m is "very disappointing" and he warns that the outlook for the rest of the year is "not encouraging."

For the six months to June 30 last year the group reported a taxable profit of £602,000, which had increased to £2.56m at the end of 1981.

Sir David says the decline this year was most marked in the shipping division, which has suffered from poor trading conditions, especially in the newly containerised trades, and from unexpectedly high repair costs for the semi-submersible vessel "Uncle John."

In the travel division a general decline in holiday spending has affected the retail, coaching and tour operations.

In brewing, north east cask ale brewer J. W. Cameron showed a marked decline in pre-tax profits from £1.98m to £0.49m as a result of lower volumes, but East Anglian brewer Tolly Cobbold held its position with profits ahead from £16,000 last time to £266,000.

First-half group turnover was up from £114.3m to £132.5m. Trading loss came to £3.01m (£435,000 profit) while at the net attributable level, after extraordinary items, losses increased sharply from £267,000 to £6.79m. Extraordinary debits of £2.02m (£267,000) were provisions for underwriting losses payable under a warranty given in connection with the sale of London and Hull Maritime Insurance Company and for the costs of further re-organisation and redundancies.

The interim dividend on the deferred ordinary stock units, which are all privately held, is unchanged at 2.5p.

C. H. Pearce improves to £2.72m

An improvement in pre-tax profits from £2.54m to £2.72m is reported by building contractor, C. H. Pearce and Sons, for the 12 months ended May 31 1982. At the interim stage, when taxable figures were up from £1.29m to £1.37m, the directors *forecast a full year result not less than that for the previous year*.

Turnover for the 12 months rose by £2.58m to £29.33m. After a tax charge of £112,000 (£813,000 credit) stated earnings per 25p share were 207 (266.8p) including 64.7p for deferred tax release. The dividend is being raised from 13p to 14p net with a final of 9.75p (9p).

The directors report that bearing in mind prevailing adverse economic conditions, the group is continuing to trade profitably in the current year.

In October 1981 the group acquired E. Harris and Son (Builders) for £484,000 and since then Harris has contributed satisfactorily to profit and turnover.

Aberthaw well ahead

Turnover of Aberthaw Cement for the first half of 1982 advanced from £15.35m to £17.81m and pre-tax profits finished well ahead from £983,000 to £1.47m, after interest of £301,000 against £439,000.

Tax took £485,000 (£210,000) for earnings of 28.14p (19.7p) per 25p share and the net interim dividend is lifted from 4p to 4.5p. *Last year's total distribution was 11.5p from profits of £3.19m.*

NO PROBE

The proposed merger between Wiban AG and Babcock Construction Equipment will not be referred to the Monopolies and Mergers Commission, says the Secretary of State for Trade.

LADBROKE INDEX

600-605 (−2)

Brent Walker U.S. court battle

THE DIRECTORS of Brent Walker, accepting the 46p per share cash bid from Locks Heath, announced yesterday that the group's ownership of the film "Return of the Soldier" was being contested in the U.S. courts.

ICFC Leasing, which purchased the rights to the film for £2.2m, prior to a leaseback transaction with Brent Walker, is a co-defendant in these proceedings.

Explaining the "various contingencies" which led to their acceptances of the £3.22m bid by the chief executive, the independent directors revealed that the group was struggling to recover a sum of $500,000 through the Egyptian courts in full payment of its interest in the El Salam Hotel in Cairo.

The group is also strenuously resisting litigation brought by Rank Group Holdings last year alleging breach of warranty and/or misrepresentation.

"In the light of these various contingencies," the chairman Sir Anthony Burney says, "and until there is a sustained upturn in the present depressed economies both here and in North America, the directors of Brent Walker cannot foresee any significant improvement in the Brent Walker Group's overall financial position or prospects."

The group is concluding arrangements to buy casinos in the Wirral and Salford, for which *Gaming Board approval has been* obtained, for an aggregate cash price of £760,000.

Locks Heath, which is controlled by a company run by trusts created for the chief executive, Mr George Walker, and his family, has indicated its preference for withdrawing Brent Walker's quotation if the offer goes unconditional. It will try to maintain the listing if a sufficient minority rejects the bid but shareholders are warned that "the listing on the Stock Exchange may be withdrawn."

● comment

The independent directors of Brent Walker have produced more reasons why they have accepted the chief executive's 46p per share cash offer but outside shareholders may be forgiven for feeling more bemused than hitherto. The projected image of a beleaguered company shrouded in uncertainty sits oddly with the preparations to pay a sizable chunk of cash for two more casinos. Regrettably, no indication is given as to these companies' past profitability and trading projections. Most seriously, ownership of a valuable film asset is now being contested. The court action started in May although the annual accounts, written in June, merely stated that "distribution will commence this summer providing further impetus to the division's earnings. Shareholders may well decide to vote with their feet. But the sharp change of fortunes between July and the end of September still invites further details. Perhaps, had this been an institutional stock, the new mood of authority among the professional money men would have promptly repaired the lines of communication between shareholders and the board.

Intervision and Home Video merger

Mr John Bentley is planning to merge his Intervision Video, the video distribution company, with Home Video, the video company whose deputy chairman is Mr Jack Gill, the former managing director of Lord Grade's Associated Communications Corporation.

Mr Gill was at the centre of a row earlier this year over a £750,000 compensation package from Lord Grade's entertainments group.

Share dealings in Intervision and Home Video, a video production and distribution company, were suspended "pending an announcement regarding the proposed merger."

Profits at Intervision are expected to top £1m this year. Home Video has just announced pre-tax profits of £371,291. Both companies rent videos and recently announced plans for a joint distribution venture.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Altifund ......int.	2.5	—	2.5	—	7.25
Forward Tech. ......int.	Nil	—	2.3	—	3
Greenbank Trust	1§	—	4	1§	4
Hammerson Prop.	3†	Nov 29	3	—	11
S. Jerome ......int.	0.69	Nov 30	0.69*	—	2.69*
Lee Cooper ......int.	1.23	Nov 30	1.16	—	3.02
Lowland Invst.	2.9	Dec 20	2.6	4.8	4.35
North Sea Assets	2.8	Dec 20	2.5	2.8	2.5
J. O. Walker ......int.	1	Jan 4	Nil	—	1

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § For 15 months.

Results due next week

Analysts were recently expecting the electrical and mechanical engineering group, Hawker Siddeley, to start climbing off the £110m to £120m annual pre-tax profits plateau on which they have been stuck for four years. But forecasts have been scaled down gradually, since a cautious chairman's report in June. Estimates for the interim figures to June, due on Wednesday, are mostly between £57m and £60m, against £61.6m. The Canadian division, after a disastrous trading performance in late 1981, has picked up a little, although reported profits remain low. Most of the diesel division has been experiencing a cyclical boom. Electrical engineering, however, remains depressed, and there are few signs of an early upturn. Shrewd management led to a cut in capacity in anticipation of the current recession and net borrowings should be eliminated by the end of the year. The group's cautious acquisition strategy has failed to penetrate any high growth sectors, and a move away from its profits plateau is not expected in the near future. Forecasts for interim dividends are for a slight increase to about 4.0p.

Do not expect exciting full-year results from Brooke Bond on Tuesday. Analysts predict pre-tax profits of around £38m, compared with £41.7m last year. The main problem has been in Brooke Bond's recent acquisition—the timber company, Mallinson-Denny. At the interim stage, Mallinson contributed a profit, but not enough to cover the interest charges on the cash element of the acquisition. For the full year, Mallinson will probably show a slight loss, which may have been compounded by managerial problems. On the UK food side, competition from Cadbury, Lyons and Tetley will have squeezed margins, and the high promotional costs of Red Mountain coffee will cut into trading profits. But higher tea prices in the last month or two should set the scene for a mild recovery in 1983. The dividend will probably be maintained.

The market is looking for about £10m pre-tax profits from British Home Stores on Wednesday, when it reports its interim figures to mid-September. The improvement that would represent over the £7.6m of the comparable period is not seen as due to a significant upturn in sales volume, but to the inclusion of profits from SavaCentre, and a turnround into interest receivable. The first half last time around was hit by stock clearing, but this year BHS is thought to be paying more attention to improving its margins. Sales growth appears to have picked up from September, and for the full year about £45m pre-tax seems on the cards—as against £42.6m—and a small hike in the dividend is expected.

Gill & Duffus, which announces an interim dividend and a forecast for the year to December on Wednesday, is not expected to reveal much progress this year. Cocoa and rubber prices remain soft, while C & D's processing businesses have been hit by overcapacity in the UK and the U.S. In addition, the U.S. chemicals business is still thought to be doing badly. Last year's profits—knocked sidewise by losses from Hong Kong and the U.S. Securities operation—emerged at £12.8m. Analysts are divided about this year's profits, with expectations ranging from £10m to £14m pre-tax. Although no more howlers are expected to crop up this year, financing last year's losses still keeps any hopes for solid recovery in check. A maintained dividend is not a certainty, but more analysts expect the 3.6p pay-out to be held.

Other results due next week include full-year figures from Paterson, Zochonis on Tuesday. On Wednesday both Telephone Rentals and Sun Life Assurance will be reporting interim figures. Three discount houses will be coming to the market with their interim results next week: Gerrard & National on Tuesday, and on Wednesday both Jessel Toynbee and Smith St. Aubyn.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Brooke Bond Group	Tuesday	1.25	2.855	1.25
Bryant Holdings	Monday	0.85	2.5	1.0
Goodman Brothers	Thursday	—	1.0	—
Jason Assets Trust	Monday	—	—	—
Kalamazoo	Wednesday	0.83	1.57	0.83
London and Provincial Shop Centres (Holdings)	Wednesday	0.8	1.8	0.9
Low (Wm.)	Thursday	2.1	5.4	2.1
Paterson Zochonis	Tuesday	1.33333	3.0	1.33
Peachey Property Corporation	Tuesday	1.5	3.0	2.25
Pochin's	Tuesday	0.875	3.125	0.875
Pressac Holdings	Thursday	0.35	0.75	0.35
Ramar Textiles	Monday	—	0.3125	—
Spencer Gears (Holdings)	Thursday	0.25	0.6	0.3
Stewart and Wight	Thursday	—	4.0	—
Trident Computer Services	Wednesday	—	1.0	0.5
TBW—Television South West Holdings	Tuesday	—	—	—
Tyzack (W.) Sons and Turner	Wednesday	—	1.0	0.5
Walker and Homer Group	Thursday	—	—	—
INTERIM DIVIDENDS				
British Home Stores	Wednesday	1.75	3.0	
Brook Street Bureau	Monday	—	0.1	
City of Oxford Investment Trust	Wednesday	1.75	3.75	
Copydex	Wednesday	1.2	1.2	
Dominion and General Trust	Thursday	3.0	8.5	
Edith	Tuesday	0.76923	1.44231	
Energy Services and Electronics	Tuesday	0.35	0.525	
Folkes (John) Hefo	Wednesday	0.35	0.9	
Foster Brothers Clothing	Wednesday	1.1	2.35	
Francis Industries	Thursday	2.0	3.0	
Gerrard and National	Tuesday	5.0	10.75	
Gill and Duffus Group	Wednesday	3.6	4.8	
Hawker Siddeley Group	Wednesday	3.7	6.6	
Hay (Norman)	Thursday	1.25	1.85	
Ibstock Johnsen	Thursday	1.5	3.0	
Jessel, Toynbee	Wednesday	1.75	3.25	
Lawrence (Walter)	Tuesday	2.5	5.75	
Lilley (F. J. C.)	Thursday	1.95	3.52	
London Atlantic Investment Trust	Wednesday	1.75	3.25	
Moss O'Ferrall	Tuesday	0.88	2.08	
Reed Executive	Thursday	0.1	—	
Sandhurst Marketing	Monday	0.54	1.1328	
Scottish Mortgage and Trust	Thursday	2.5	2.8	
Securities Trust of Scotland	Wednesday	1.8	3.2	
Sellncourt	Thursday	0.441	—	
Smith St. Aubyn (Holdings)	Wednesday	4.6	—	
Sun Life Assurance Society	Wednesday	4.5	8.5	
Telephone Rentals	Wednesday	2.0	2.625	
TR North America Investment Trust	Wednesday	2.0	4.25	
United Ceramic Distributors	Thursday	1.0	2.5	
Waterford Glass Group	Wednesday	0.5	0.811	
INTERIM FIGURES				
Bestwood	Monday			
Duport	Wednesday			
First Charlotte Assets Trust	Wednesday			
Lancs	Thursday			
Miller (Stanley) Holdings	Tuesday			
Sound Diffusion	Wednesday			
Tate of Leeds	Monday			
United Friendly Insurance	Monday			
Wettern Brothers	Thursday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Pioneer Concrete, part of Pioneer Concrete Services of Australia, increased the value of its bid for Mixconcrete to £19.5m, or 210p per share, and won the support of the latter's board. Rival bidders English China Clays is considering the latest offer. Pioneer originally offered 155p per Mixconcrete share and subsequently upped the bid to 180p per share. English China Clays' offer is worth 195p per share.

London and Midland Industrials proposes to pay about £11.4m for seven small engineering subsidiaries of Johnson and Firth Brown's half-owned associate JFB Holdings. Most of the subsidiaries are based overseas and the deal will give LMI presence in the U.S., South Africa and Australia. The deal also helps JFB towards its target of debt reduction and allows it to take total control of the two companies which remain in JFB Holdings.

September Purchasing, the consortium company headed by Mr Michael Ashcroft, announced the success of its tender offer at up to 44p per share for up to 3m. Nu-Swift Industries shares —15 per cent of the equity. This gives September a stake of 29.99 per cent in Nu-Swift which is the subject of an agreed 40p per share bid from Mosspray. Mosspray has extended its bid for the last time until October 19 and the offer will lapse unless it gains 50 per cent acceptances.

Dealings in textile concerns Vantona and Carrington Viyella were suspended yesterday at 99p and 10½p, respectively, pending an announcement.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Amal Tin Nigeria	12*†	14	9	0.07	Dove
Braby Leslie	75	67	57	7.59	Anglo Nordic
Braid Group	58*	58	42	2.74	Lookers
Brent Walker	46*§	45	55††	2.86	Locks Heath
British Northrop	18*	17	12	0.31	Padworth Invs
Dorada	45	38	38	4.60	Keep Inv
Dunbar	966	890	640††	12.56	Hambro Life
Estates & Agency	120*§	123	134	3.06	Rosedimond
Eva Industries	44	34	44	2.38	Anglo-Indonesian
Fairdale Textile	49*	45	19½††	1.94	Moss Bros
Fairdale Textile A	41*	37	14½††	0.81	Moss Bros
Fitch Lovell	122	106	88	91.48	Linfood
Holden (A.)	190§	179	178	11.53	ICI
Howard Tenens	67	57	64††	10.65	Espley-Tyas
Hunt & Moscrop	15*	13½	9	3.51	Biwater
Hnt Moscrop Dfd	9*	7½	5	0.53	Biwater
Lifeguard Assce	950*	950	407††	7.10	Mult Hlth & Life
Mixconcrete	195*	212	177	18.80	Eng China Clays
Mixconcrete	210*	212	115	19.52	Pioneer Concrete
Nu-Swift Inds	40	44½	35	8.00	Mosspray
Shaw (Francis)	23*	23	18	1.30	EIS Group
Sheffield Ref	147	138	103	2.62	Vaux Brews
Woolworth (FW)	82*	79	71††	310.4	Paternoster Stores

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on October 15 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Air Call	June	353	(437)	1.85	(1.85)
Airsprung	June	152L	(314)	1.0	(2.0)
Alpine Holdings	Aug	678	(502)	2.28	(2.28)
Ash & Lacy	July	1,420	(908)	8.0	(6.0)
Astbry & Madeley	June	530	(405)	1.25	(1.0)
Bardsey	June	287L	(504)	—	(—)
Barr & Wallace	July	323	(61)L	—	(—)
Benlox Holdings	June	54	(29)	—	(—)
Bentalls	July	239	(410)	0.3	(0.3)
Bowthorpe	June	6,050	(5,610)	1.67	(1.52)
Brent Chemicals	June	1,630	(1,820)	0.6	(0.6)
Brent Walker	July	60	(216)	0.35	(0.35)
British Syphon	June	2	(291)L	0.5	(—)
Bronx Engn	May	233	(533)L	0.25	(0.25)
Bruntons Msslbrg	July	802	(760)	4.25	(4.25)
Canning (W.)	June	165	(210)	0.25	(1.72)
Cape Industries	June	1,910	(3,290)	1.7	(3.9)
Caparo Inds	June	159	(115)	0.5	(0.5)
Carpets Intl	July	2,930L	(2,190)L	—	(—)
Cartwright (R.)	June	227	(177)	1.25	(1.25)
Cass Group	June	433	(—)†	—	(—)
Christies Intl	June	1,100	(3,260)	2.0	(2.0)
Cliffords Dairies	June	1,270	(1,630)	1.8	(1.5)
Combined English	Aug	1,670L	(116)	1.49	(1.49)
Comfort Hotels	July	108	(93)L	0.2	(0.2)
Crowther (John)	June	114L	(227)L	—	(—)
Currys	July	4,080	(2,360)	1.0	(0.75)
Davenport Knit	June	369	(375)	—	(—)
Debenhams	Aug	1,540	(1,110)	2.04	(2.04)
Downiebrae	June	53	(194)L	—	(—)
Empire Stores	Aug	1,970L	(312)	—	(1.2)
England (J. E.)	July	90L	(63)	0.44	(0.44)
Erith	June	626	(510)	1.4	(1.25)
Executex Clothes	June	79	(405)L	—	(—)
Estates & General	June	801	(341)	0.7	(0.6)
Farnell Electrncs	July	4,520	(3,520)	0.75	(0.45)
Finlay (James)	June	4,730	(5,870)	2.0	(2.0)
Firmin & Sons	June	235	(195)	1.5	(1.0)
First Castle Elec	July	562	(430)	0.7	(0.58)
Fogarty	June	583L	(938)	1.6	(1.6)
Freemans	Aug	3,150	(6,570)	1.9	(1.9)
Gates (Frank G.)	July	658	(633)	—	(—)
Grampian Hldgs	June	284L	(373)	1.5	(1.5)
Grattan	July	1,000	(2,650)	1.0	(1.87)
Green's Econmsr.	June	12	(134)	2.88	(2.88)
Harris Queensway	June	4,930	(3,820)	1.67	(1.33)
Harrison (T. C.)	June	1,460	(1,350)	0.92	(0.92)
Helene of London	June	253	(203)	0.37	(0.37)
Henriques (A.)	July	71	(64)	0.5	(0.3)
Hewden Stuart	Aug	1,290	(129)	0.48	(0.48)
Higgs & Hill	June	2,090	(1,540)	3.25	(2.5)
Holt Lloyd	June	1,070	(2,190)	1.5	(1.5)
House of Lerose	June	622	(471)	3.0	(2.0)
Hunting Petrlm.	June	3,170	(2,770)	2.25	(2.25)
Jacob (W. & R.)	July	763‡	(658)‡	2.0	(1.5)
Jefferson Smurfit	June	5,570‡	(10,770)‡	1.41	(1.41)
Johnston Group	June	2,286	(1,670)	2.0	(2.0)
Laing (John)	June	4,040	(2,810)	1.0	(1.0)
Laing Props	June	4,800	(4,200)	2.0	(1.75)
Lamont Hldgs	June	154	(131)	0.4	(0.4)
Lnd & Continental	June	205	(160)	—	(—)
Lyle Shipping	June	939	(3,660)	4.5	(4.5)
Manders Hldgs	June	1,870	(1,836)	—	(—)
Markeath Secs.	June	315L	(170)L	—	(—)
Marshall's Unvrsl	June	524	(210)	—	(—)
Martin (Albert)	June	246	(228)L	0.75	(0.1)
Miller (F.)	Aug	1,030	(909)	1.1	(1.0)
Miles 33	Aug	40	(57)L	—	(—)
Minet Hldgs	June	8,380	(5,810)	2.45	(2.01)
Minster Assets	June	4,590	(3,600)	1.7	(1.7)
Mollins	June	3,200	(3,300)	2.2	(2.2)
Mowlem (John)	June	3,400	(3,200)	2.1	(2.0)
Neill (James)	June	137	(1,140)L	—	(—)
NMW Computers	June	306	(353)	—	(—)
Office & Electrnc	June	1,140	(1,300)	2.5	(2.5)
Parker (Francis)	June	345	(275)	0.35	(0.35)
Reed (Austin)	Aug	530	(298)	1.0	(0.9)
Rchrds Leicester	July	94L	(45)L	1.0	(1.0)
Roberts Adlard	June	340	(355)	2.0	(2.0)
Rockware Group	June	484L	(1,350)L	—	(—)
Rowan & Boden	June	284L	(104)	—	(0.5)
Ruberoid	June	1,310	(1,030)	1.6	(1.3)
Rugby Portland	June	11,270	(8,880)	2.6	(2.35)
Senior Engn	June	2,750	(1,380)	0.75	(0.75)
Scottish TV	June	808	(920)	2.1	(1.75)
Sears Holdings	July	35,200	(35,900)	0.7	(0.7)
Sileothigh Hldgs	July	1,900	(2,476)	1.0	(1.0)
Silkolene Lubs	July	536	(311)	2.0	(1.05)
Silvermines	June	484L	(2,880)L	1.5	(1.5)
Solicitors Law	June	114L	(53)	—	(—)
Spear (J. W.)	June	451	(115)	—	(2.5)
Spirax Sarco	June	3,300	(2,710)	1.7	(1.7)
Stag Furniture	June	533	(706)	1.75	(1.75)
Steel Brothers	June	4,200	(2,84)	3.5	(3.15)
Sumner (Francis)	June	92L	(74)	—	(—)
Snter	July	162	(635)L	0.5	(—)
UEI	July	4,580	(1,410)	1.5	(1.55)
United Parcels	July	3,360	(2,900)	1.4	(1.2)
Walker (C.&W.)	July	41L	(333)L	—	(—)
Ward White	June	1,580	(1,460)	1.4	(1.4)
Watts Blake	June	1,920	(1,730)	1.42	(1.35)
Yorkgreen Invs	Apr	71	(63)	0.26	(0.26)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net except where otherwise stated. † No comparable figure. ‡ In IL. L Loss.

Scrip issues

City of Aberdeen Land Association—One for eight.
Glaxo Holdings—One for one.
James Halstead Group—One for four.
Scottish Metropolitan Property—One for ten.
United Parcels—One for one.

Rights Issues

Armour Trust—Is raising £497,000 by way of a one for three rights issue at 10p per share.
Bowthorpe—Is raising £9.48m by way of a one for 10 rights issue at 235p per share.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Amstrad Electrncs	June	4,770	(2,376)	27.7	(13.3)	4.74	(3.95)
Beckman (A.)	June	1,240	(1,050)	9.8	(19.1)	5.73	(5.73)
Bejam	July	11,745	(9,021)	7.1	(5.3)	2.75	(2.06)
Bell (Arthur)	June	27,600	(20,020)	22.4	(21.5)	5.5	(4.72)
BPM Holdings	July	403	(2,570)	—	(53.7)	5.78	(5.78)
Cope Allman	July	1,950	(373)	0.9	(2.5)	2.0	(2.0)
Courtney Pope	May	321	(720)	13.4	(11.7)	3.6	(3.05)
Cty Aberdeen Lnd	June	1,250	(1,076)	60.4	(56.0)	14.5	(12.44)
Danks Gowerton	June	342	(167)	3.0	(2.0)	0.75	(0.75)
Druck Holdings	June	821	(198)	8.3	(4.4)	1.0	(—)
Ferry Pickering	June	1,473	(1,238)	11.8	(8.1)	2.6	(2.36)
FMC	May	1,660L	(999)L	—	(—)	—	(—)
Footwear Ind Invs	May	543	(485)	7.9	(8.6)	6.04	(6.04)
Glaxo	June	133,640	(87,330)	46.8	(35.8)	14.0	(11.25)
Green (R.)	June	1,550	(1,420)	9.0	(6.6)	2.9	(2.5)
Guildhall Prop	June	1,100	(1,030)	9.6	(8.1)	5.55	(5.15)
Halstead (James)	June	1,390	(1,300)	9.6	(9.5)	3.0	(2.65)
Ingall Industries	June	511	(380)	3.9	(3.5)	2.75	(2.5)
Kent (M. P.)	June	5,170	(4,750)	9.4	(11.3)	0.9	(0.81)
Lawtex	June	557L	(158)L	—	(—)	—	(1.5)
Lndn Shop Prop	Apr	3,420	(2,820)	8.9	(8.0)	4.25	(3.75)
Lyles (S.)	June	505	(638)	19.1	(18.7)	6.25	(6.25)
Martin (R. P.)	June	8,140	(2,170)	37.1	(30.4)	10.95	(9.25)
Metamec Jentique	June	678L	(8)	—	(4.2)	0.5	(1.3)
Mitchell Cotts	June	9,740	(9,140)	4.4	(5.8)	3.62	(3.61)
News Internatl.	June	3,210	(26,120)	4.1	(32.2)	6.29	(6.3)
Raine Industries	June	276	(581)L	1.3	(3.3)	0.4	(0.03)
Photo-Me Intl	Apr	2,630	(2,210)	59.0	(96.5)	9.45	(9.45)
Quest Automation	Feb	2,580L	(910)	—	(6.3)	—	(—)
Riley Leisure	July	902	(723)	0.2	(6.5)	4.1	(3.85)
Scot Metro Prop	Aug	5,640	(4,430)	4.3	(3.8)	3.5	(2.89)
Ulster TV	Aug	685	(536)	15.3	(9.5)	6.8	(6.0)

Offers for sale, placings and introductions

Allied Lyons—£30m 10-year Eurosterling bond carrying a coupon of 12½ per cent.

European Investment Bank—£75m bulldog bond.

Hunterprint—Has completed the placing of 25 per cent of its shares at 73p a share.

London Borough of Islington—Issue of a £10m drop-lock stock at £100 per cent with a 12.65 per cent coupon.

Scottish Mortgage and Trust—Issue of £20m nominal 8·14 per cent stepped interest debenture stock 2020 at an issue price of £96.623 per cent.

Seagram Distillers—Is raising £50m through an issue of a 12⅞ per cent debenture stock 2012, at £99.504 per cent.

Standard Telephones and Cables—Offer for sale of 40m shares at 525p per share.

Vaux Breweries—Issue of £10m debenture stock, 11⅞ per cent, 2010 at £98.175 per cent.

Woodchester Investments—Has applied for a listing on the Unlisted Securities Market.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$400	—	—	8	64	—	—	$433.50
GOLD C	$425	90	28	5	53	—	—	"
GOLD C	$450	88	18	5	40 A	3	03	"
GOLD C	$475	30	10	86	27	[illegible]	[illegible]	"
GOLD C	$500	81	6	13	19 B	[illegible]	[illegible]	"
GOLD C	$550	22	1.50	32	8	100	18	"
GOLD P	$350	—	—	4	6	—	—	"
GOLD P	$375	93	3	—	—	—	—	"
GOLD P	$400	—	—	5	20 B	3	32	"
GOLD P	$425	6	10	3	30	—	—	"
GOLD P	$450	80	31 B	—	—	0	47	"
GOLD P	$475	3	61	—	—	—	—	"
12¼% NL 81 87-91								
C	F.112.50	3	4.80	70	5.50	—	—	F.117.40
C	F.115	178	2.50	—	—	0	2.30	"
C	F.117.50	22	0.60	—	—	—	—	"
10¼ NL 80 86-95								
C	F.100	44	4.40	—	—	—	—	F.104.00
11¼ NL 82 88-92								
C	F.105	98	2.80	—	—	—	—	F.107.20
P	F.107.50	—	—	200	—	—	—	"
10 NL 82 96-99								
C	F.102.50	—	—	308	1	—	—	F.101.3
P	F.100	—	—	50	1.80	—	—	"
10½ NL 82 86-89								
C	F.102.50	10	—	3	1.30	—	—	F.102.70
10 NL 82 86-89								
C	F.100	1	0.80	5	2.90	—	—	F.101.60

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN C	F.260	175	0.10	[illegible]	[illegible]	[illegible]	[illegible]	F.250
ABN C	F.240	[illegible]	[illegible]	15	4.50	[illegible]	[illegible]	"
ABN P	F.260	100	1	—	—	15	12.60	"
AKZO C	F.22.50	14	4.10	[illegible]	[illegible]	[illegible]	[illegible]	F.26.60
AKZO C	F.25	312	1.50	13	2.50	[illegible]	[illegible]	"
AKZO C	F.27.50	—	—	38	1.30	[illegible]	[illegible]	"
AKZO C	F.30	—	—	45	0.60	[illegible]	[illegible]	"
AKZO P	F.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AKZO P	F.27.50	13	0.80	155	1.70	10	1.20	"
AMRO C	F.40	17	1.20 A	22	2.60	[illegible]	[illegible]	F.40.60
AMRO C	F.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
AMRO P	F.40	—	—	40	2.20	34	2.50	"
HEIN C	F.60	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.70.40
HEIN C	F.65	10	10.20	[illegible]	[illegible]	[illegible]	[illegible]	"
HEIN C	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
HEIN P	F.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.90	280	1.10	190	6	[illegible]	[illegible]	F.91.70
KLM C	F.100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM C	F.110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	F.90	108	0.10	[illegible]	[illegible]	[illegible]	[illegible]	"
KLM P	F.100	10	9.60	[illegible]	[illegible]	[illegible]	[illegible]	"
NEDL C	F.100	65	10.50	[illegible]	[illegible]	[illegible]	[illegible]	F.115
NEDL C	F.110	76	6	[illegible]	[illegible]	[illegible]	[illegible]	"
NEDL C	F.120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NEDL P	F.110	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
NATN C	F.110	10	0.10A	[illegible]	[illegible]	[illegible]	[illegible]	F.106.80
PHIL C	F.22.50	181	4.90	108	5	[illegible]	5.40	F.27.40
PHIL C	F.25	1026	2.30	251	3.00	135	3.50	"
PHIL C	F.27.50	493	0.10	220	1.30	188	1.60	"
PHIL P	F.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
PHIL P	F.27.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD C	F.80	44	14.90	54	16.60 A	6	17.40	F.95.40
RD C	F.90	443	4.90	996	8	[illegible]	[illegible]	"
RD C	F.100	104	0.10	680	3	106	4.40	"
RD P	F.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
RD P	F.90	—	—	366	2	44	3	"
RD P	F.100	934	4.80 B	157	8.20	21	7.60	"
UNIL C	F.160	10	22.50 B	10	24.50 B	—	—	F.184
UNIL C	F.190	—	—	37	6.20	—	—	"
UNIL P	F.160	—	—	—	—	90	1	"
UNIL P	F.150	—	—	35	1.50	52	3.60	"
UNIL P	F.170	—	—	78	4.70	18	8	"

TOTAL VOLUME IN CONTRACTS 10,056

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

October 15 Total Contracts 5,304 Calls 2,366 Puts 936

Option	Ex'cise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity Close
BP (c)	260	50	1	79	—	82	10	310p
BP (c)	280	40	37	62	2	68	—	"
BP (c)	300	22	119	45	14	40	—	"
BP (c)	330	4	17	19	26	22	—	"
BP (p)	300	5	60	14	—	20	2	"
BP (p)	330	20	50	36	61	33	3	"
CU (c)	120	7	98	15	—	17	—	134p
CU (c)	140	3	11	10	12	12	—	"
Cons. Gld (c)	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	449p
Cons. Gld (c)	460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gld (c)	500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gld (p)	420	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons. Gld (p)	460	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Ctlds. (c)	70	10	—	13	1	16	—	79p
Ctlds. (c)	80	1	34	7	—	8	—	"
GEC (c)	800	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC (c)	900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC (c)	1000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC (c)	1100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC (c)	1200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC (c)	1300	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grd Met (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	294p
Grd Met (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	318p
ICI (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Sec (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	276p
Land Sec (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Mks & Sp (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	206p
Mks & Sp (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	434p
Shell (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"

Option	Ex'cise price	Nov. Closing offer	Nov. Vol.	Feb. Closing offer	Feb. Vol.	May Closing offer	May Vol.	Equity Close
Barclays (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	386p
Barclays (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Imperial (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	112p
Imperial (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lasmo (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	356p
Lasmo (p)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Lonrho (c)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	91p
Lonrho (c)	90	5	35	12	10	15	17	"
Lonrho (c)	100	2	10	6	39	9	5	"
Lonrho (p)	90	5	20	8	—	10	—	"
P & O (c)	130	0	—	9	5	18	—	129p
Racal (c)	500	77	12	97	—	119	—	557p
Racal (c)	550	40	6	62	1	92	—	"
Racal (c)	600	12	34	37	9	50	12	"
Racal (c)	650	3	23	18	52	39	—	"
Racal (p)	460	1	50	4	—	6	—	"
Racal (p)	500	5	9	7	—	15	—	"
Racal (p)	550	19	35	37	9	32	—	"
Racal (p)	600	40	4	80	—	55	—	"
Racal (p)	650	67	1	95	—	103	—	"
RTZ (c)	420	43	5	50	1	64	—	462p
RTZ (c)	460	17	67	32	40	38	—	"
Vaal Rfs. (c)	50	19½	—	22½	—	25½	1	579
Vaal Rfs. (c)	70	10	5	15½	—	17½	—	"
Vaal Rfs. (p)	60	6	—	9	—	11	11	"
Vaal Rfs. (p)	70	1½	9	4	—	0	—	"
Vaal Rfs. (p)	80	6½	50	7½	—	4	—	"

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9½%	■ Guinness Mahon	9½%
Allied Irish Bank	9½%	■ Hambros Bank	9½%
Amro Bank	9½%	Hargrave Secs. Ltd.	9½%
Henry Ansbacher	9½%	Heritable & Gen. Trust	10 %
Arbuthnot Latham	9½%	■ Hill Samuel §	9½%
Associates Cap. Corp.	10 %	C. Hoare & Co. †	9½%
Banco de Bilbao	9½%	Hongkong & Shanghai	9½%
Bank Hapoalim BM	10 %	Kingsnorth Trust Ltd.	11 %
BCCI	10 %	Knowsley & Co. Ltd.	10 %
Bank of Ireland	9½%	Lloyds Bank	9½%
Bank Leumi (UK) plc	10 %	Mallinhall Limited	9½%
Bank of Cyprus	9½%	Edward Manson & Co.	10½%
Bank Street Sec. Ltd.	11½%	Midland Bank	9½%
Banque Belge Ltd.	9½%	■ Samuel Montagu	9½%
Banque du Rhone	10 %	■ Morgan Grenfell	9½%
Barclays Bank	9½%	National Westminster	9½%
Beneficial Trust Ltd.	10½%	Norwich General Trust	9½%
Bremar Holdings Ltd.	11 %	P. S. Refson & Co.	9½%
Brit. Bank of Mid. East	9½%	Roxburghe Guarantee	10½%
■ Brown Shipley	10 %	Slavenburg's Bank	9½%
Canada Perm't Trust	10½%	Standard Chartered ‖	9½%
Castle Court Trust Ltd.	10 %	Trade Dev. Bank	9½%
Cavendish G'ty T'st Ltd.	10½%	Trustee Savings Bank	9½%
Cayzer Ltd.	10 %	TCB	9½%
Cedar Holdings	11 %	United Bank of Kuwait	9½%
■ Charterhouse Japhet	10 %	Volkskas Intl. Ltd.	9½%
Choulartons	10½%	Westpac Banking Corp.	9½%
Citibank Savings ¶	10 %	Whiteaway Laidlaw	10 %
Clydesdale Bank	9½%	Williams & Glyn's	9½%
C. E. Coates	10½%	Wintrust Secs. Ltd.	11 %
Comm. Bk. of N. East	9½%	Yorkshire Bank	9½%
Consolidated Credits	10½%		
Co-operative Bank *	9½%		
Corinthian Secs.	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E.T. Trust	9½%		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	10½%		
Grindlays Bank ‡	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1 month 6.25%. Short-term £8,000/12-months 9.35%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 6¾%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £1,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.

CONTRACTS

MoD £8m order for Vauxhall Cavaliers

THE MINISTRY of Defence has placed an order for 1,650 Vauxhall Cavalier 1600S "L" saloon cars, worth about £8.96m. All the Cavaliers will be made at Vauxhall's Luton plant, for delivery by the end of the year.

*

LEIGHKLEEN, newly-formed office cleaning, domestic and trade refuse collection division of Leigh Interests, has won the contract to dispose of all dry wastes from Birmingham's National Exhibition Centre. This is Leighkleen's first major public cleaning contract and it is expected to earn some £400,000 over the next three years.

*

PRESS CONSTRUCTION has won a package-deal contract for new pipework for the combined heat and power station on the Fort Dunlop site, Birmingham. Under a contract worth nearly £210,000 from Dunlop the company will supply and connect all the pipeline systems to carry a base load of steam and medium-temperature water from the boundary of the combined heat and power station being built by the Midlands Electricity Board.

*

FAIRCLOUGH BUILDING, north eastern division, has won a £455,000 contract to extend a bottling and packaging factory in North Yorkshire, for Hounslow Specials Engineering.

WORLD STOCK MARKETS

NEW YORK

Mixed & undecided on Wall St

MOVEMENTS WERE mixed and the Stock Market was undecidod on Wall Street yesterday.

After opening 8.09 down at 988.78, the Dew Jones Industrial Average rallied to 996.96 by 1 pm, for a net rise of 0.09 on the day and 10.11 up on the week. The NYSE All Commen Index shed 13 cents to $77.10, reducing its rise on the week to $2.10. Trading volume decreased 5.61m shares to 63.27m, compared with 1 pm Thursday.

Analysts said continued profit-taking depressed the market yestarday morning, before bargain hunters bid prices up.

Also, they oaid expiration of October etock options on a number of Blue Chip issues may be creeting soma boying pressure.

Invasters appear to be heartened by soma positive economic news.

Tho U.S. Laber Department reported that U.S. Wholesale Prices for September fell 0.1 per cent. Analysts said they had been expecting a modest increase in the index.

But some analysts doubt that short-term economic news has eny majer effect on the Stock Market.

"If the market had been responding to economic news it should be down to 400 instead of at 1,000," said Larry Wachtel of Becbe, Halsey Stuart Shields.

Tradors are expecting e large increase in the Money Supply whon reported after the Wall Street close and despite Federal Reservo Board warnings that the figures would be ekewed by a large amount of meture All-Savers Certificates, analysts say this could create oome concern in afternoon trading.

Westinghouse Electric, off $½ te $35¼ and Monsanto, up $½ to $78⅞, were beth being actively traded. Each are involved in stock for debt swaps.

Storage Technology further declined $⅝ to $19½ in active trading. Eerlier this week it revised downward its earnings estimate.

American Express rose $½ to $25⅞ on higher third quarter earnings.

Bluo Chip issues regained some ground lost Thursday, with IBM up $½ to $80½, ATT $½ to $59⅞ and Sears Roebuck $½ to $25⅞.

THE AMERICAN SE Market Value Index shed 0.50 to 313.89, while the volume decreased 1.4m shares to 5.13m compared with 1 pm Thursday.

Closing prices for North America were not available for this edition.

Canada

Profit-taking continued to erode the impressive gains made in stocks over the past two weeks, as prices moved sharply lower throughout the morning.

At mid-session, the Toronto Cemposite Index was off 17.0 to 1765.2, while all 14 of the majer stock groupings were lewer, paced by losses in Metal, Golds, Oil and Real Estate issues.

The Metals and Minerals Index lost 18.1 to 1647.6, Oil and Gas 24.6 te 2913.1 and Golds 63.8 te 2775.0.

Tokyo

Prices lost ground on profit-taking, prompted by the yen's sharp fall against the dollar in overseas centres Thursday.

Dealers said the market is adjusting after recent sharp edvances, with political uncertainty about Japan's future Prime Minister tending to affect sentiment.

The Market Average fell 41.29 te 7,373.51 on light volume of 330m (380m) shares.

Honda weakened Y34 te 965 on news its censolidated interim net profit declined 6.5 per cent from a year earlier, although other Motors firmed.

Nissan added Y9 at 790 after announcing higher September vehicle exports, and Toyota improved Y17 to 969 despite news of an export fall in the month.

Germany

Weaker but off the day's lows as operators squared positions ahead of the weekend and investors kept to the sidelines fellowing New Yerk's overnight sharply lower finish.

Stores were particularly weak, continuing to suffer from rumours of a fall in Karstadt's earnings and worries consumer demand will weaken if the Government increases Value Added Tax.

Also the Bonn Government's proposal to work for a six-month wage freeze next year hurt several Consumer sectors, particularly Department Stores.

Kaufhof further declined DM 8.5 to 171.5, Karstadt DM 4.50 to 208 and Horten slipped DM 2 te 124.

Steels were broadly lower but held losses to below the market average. Mannesmann shed DM 2.1 to 133.4—its the major tube and pipe exporter to the U.S. standing to lose the most in the event of U.S. countervailing duties on steel imports.

Paris

Lower in quiet trading with sentiment depressed by Wall Street's lowor evernight close.

Dealers noted sizeable profit-taking following the strong rises recerded en the Paris Bourse during the past two days.

Thomson-CSF fell FFr 6.6 te FFr 139.9 folowing news ef a large parent company net loss during the first half of this year, compared to a profit during the same 1981 period.

CFP lost DM 3.4 to DM 106.5—Thursday it said its subsidiary Total Oil Marine had applied te the UK Energy Department to develep tho Nerth Alwyn Field in tho British North Sea.

Australia

Share prices generally eased in moderate trade following the overnight setback on Wall Street and the downturn in the Gold price in New York and Hong Kong.

Major buyers withdrew from markets and key Industrial and Resource shares drifted lower.

Brokers said some issues resisted the selling but markets were thin and finished on a weak note.

Gold issues eased, while Oil and Gas stocks were marginally lower.

Switzerland

The Swiss Bond Market closed steady to easier as higher rates for Eurodollar and Eurofranc deposits caused new doubts about the future course of interest rates.

The morning's strength in the dollar mainly affected Fereign issues, which held steady in pre-Bourse trading but later tended mostly easier.

Leading Industrials fluctuated narrowly with an easier bias.

Amsterdam

Dutch stocks closed down with tho sharpest losses recerded by issues which have led the past week's upsurge.

Royal Dutch Shell trimmed losses slightly in lete trading, closing down Fls 4.10 et 95.40, while Unilever partially made up ground from e merning low of 180 te close down Fls 5.50 at 184.

Nedlloyd Shipping put on the best performance, advancing Fls 2 te 115.

Johannesburg

Gold shares recovered opening losses on fresh demand, but the close was mixed despite the bullion price decline to a $432.50 afternoon fix.

Mining Financials and other Precious Metal and Mineral sectors followed Golds.

Hong Kong

Easier on sporadic local selling as speculation over prospects for a local interest rate cut subsided.

The Hang Seng Index was off 14.10 at 880.46 in quiet trading, for a 3.4 loss since last Friday.

CANADA

Stock	Oct. 14	Oct. 13
AMCA Intl	18¼	18⅛
Abitibi	17⅝	17⅛
Agnico Eagle	13	13
Alcan Alumin	28¾	30¾
Algoma Steel	26	27
Asbestos	11¼	11¼

DENMARK

Oct. 12	Price %	+ or —
Andelsbanken	118.2	+0.6
Baltica Skand	333.4	+1.4
CopHanOelsbank	128.2	+0.2
D. Sukkerfab	402	+8
Danske Bank	128.2	+0.2
East Asiatic	79.0	−0.4

HOLLAND (continued)

Oct. 16	Price Frs.	+ or —
Gist-Brocades	80	−1.5
Heineken	70.4	−1.4
Hoogovens	14.5	−0.2
Hunter Douglas	7.8	
Int Muller	18.1	−0.1
KLM	61.7	−1.4
Naarden	23.3	+0.2

AUSTRALIA

Oct. 15	Price Aust. $	+ or —
ANZ Group	3.52	
Acrow Aust	1.40	
Ampol Pet	1.35	
Assoc. Pulp Pap	1.90	
Audimco	0.10	
Aust. Cons. Ind	1.25	+0.51
Aust. Guarant.	2.20	
Aust. Nat. Inds	2.16	−0.02

JAPAN (Continued)

Oct. 15	Price Yen	+ or —
Kubota	322	
Kumagai	380	−5
Kyoto Ceramic	3,900	
Lion	365	+17
Maeda Const.	524	−6
Makita	759	
Marubeni	270	
Marudai	529	

FRANCE

ITALY

NORWAY

GERMANY

SPAIN

HONG KONG

SINGAPORE

SOUTH AFRICA

AUSTRIA

SWEDEN

JAPAN

BELGIUM/LUXEMBOURG

SWITZERLAND

HOLLAND

BRAZIL

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

NY. S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

هكذا من الأصل

FOREIGN EXCHANGES

Dollar nervous

The dollar finished above Thursday's closing levels in London yesterday but failed to maintain the higher ground seen earlier in the day. Business appeared to be at a slightly higher level compared with an ordinary Friday as the market moved nervously ahead of U.S. money supply figures. These were expected to show a substantial increase and despite assurances by the Federal authorities that this was merely a transitional distortion and would not presage a tightening of monetary policies, the net effect was the same as asking a patient to ignore toothache.

In order to give the market a tangible sign and hopefully prevent a sharp rush for dollars, the authorities arranged repurchase agreements which injected $1.2bn into the U.S. money market. This appeared to have the desired effect as the dollar slid back from the day's high to finish in London nearer the bottom of the day's range. Against the D-mark it closed at DM 2.5185, having touched a best level of DM 2.53. Both figures were up from Thursday's close of DM 2.5155. A similar pattern emerged in terms of the Swiss franc and Japanese yen where the dollar finished at SwFr 2.1525 and Y269.60 respectively from SwFr 2.1480 and Y267.90. Against the French franc it was slightly easier at FFr 7.12 from FFr 7.1225. On Bank of England figures, the dollar's trade weighted index rose to 124.4 from 123.8.

Sterling was slightly easier overall. Its trade weighted index started the day at 92.9, up from Thursday's close of 92.8 but by noon it had slipped to 92.8 and finished at 92.7. Against the dollar it opened at $1.7035-1.7045 and dipped initially to $1.70 before improving slowly to touch a best level of $1.7065. However dollar demand increased before the Fed's announcement and sterling touched a low of $1.6990. On news of the Fed's action the dollar fell away and sterling recovered to close at $1.7030-1.7040, a fall of just 30 points from Thursday's close in London.

EMS EUROPEAN CURRENCY INTEREST RATES

	ECU central rates	Currency amounts against ECU October 15	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.5844	+1.37	+1.11	±1.5430
Danish Krone	8.23400	8.35978	+1.53	+1.27	±1.0888
German D-Mark	2.33379	2.35017	+0.70	+0.44	±1.5501
French Franc	6.61387	6.65048	+0.55	+0.29	±1.3940
Dutch Guilder	2.57971	2.56441	−0.59	−0.85	±1.5004
Irish Punt	0.691011	0.690483	−0.08	−0.34	±1.6691
Italian Lira	1350.27	1340.09	−0.75	−0.75	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Oct 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.6990-1.7065	1.7030-1.7040	0.02-0.07c dis	−0.32	0.35-0.45dis	−0.94
Canada	2.0920-2.0990	2.0950-2.0960	0.35-0.45c dis	−2.29	1.40-1.50dis	−2.77
Nethlnd.	4.67-4.71	4.67½-4.68½	1⅛-⅞c pm	2.88	2⅞-2⅝ pm	2.24
Belgium	83.10-83.70	83.20-83.30	12-22c dis	−2.45	60-70 dis	−3.12
Denmark	15.24-15.34	15.25½-15.27½	23½-25¾ore dis	−15.36	50¾-52¾dis	−13.46
Ireland	1.2585-1.2635	1.2600-1.2610	0.45-0.60p dis	−5.00	1.37-1.52dis	−4.58
W. Ger.	4.29½-4.31½	4.28¾-4.29¾	7⅛-⅞pf pm	2.78	2⅛-2⅝ pm	2.21
Portugal	151.75-152.75	152.00-152.50	150-515c dis	−26.21	855-1155dis	−23.78
Spain	194.20-195.90	195.40-195.60	[illegible]	[illegible]	[illegible]	[illegible]
Italy	2,442-2,463	2,444-2,446	20-23 lire dis	−10.55	64-67 dis	−10.71
Norway	12.12-12.24	12.18-12.19	6¾-7¾ore dis	−5.77	20¼-21½dis	−6.77
France	12.11½-12.18½	12.12-12.13	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	12.48-12.56	12.51-12.53	3¼-4¼ore dis	−4.07	12¼-13¼dis	−4.23
Japan	456-461	459-460	1.25-1.05y pm	3.00	3.20-3.70 pm	2.44
Austria	30.10-30.30	30.18-30.23	6¼-4¾gro pm	2.15	14-8¾ pm	1.50
Switz.	3.66-3.69	3.66¾-3.67¾	2¾-1¾c pm	8.54	5¾-5 pm	5.72

Belgian rate is for convertible francs. Financial franc 87.35-87.45. Six-month forward dollar 0.80-0.90c dis, 12-month 2.00-2.15c dis.

THE DOLLAR SPOT AND FORWARD

Oct 15	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6990-1.7065	1.7030-1.7040	0.02-0.07c dis	−0.32	0.35-0.45dis	−0.94
Ireland†	1.3475-1.3610	1.3590-1.3610	0.57-0.47c pm	4.62	1.25-1.15 pm	3.55
Canada	1.2305-1.2325	1.2305-1.2315	0.25-0.28c dis	−2.58	0.59-0.59dis	−1.83
Nethlnd.	2.7445-2.7550	2.7445-2.7465	0.73-0.63c pm	2.97	2.25-2.15 pm	3.20
Belgium	48.80-49.00	48.86-48.88	10-12c dis	−2.70	27-30 dis	−2.33
Denmark	8.9300-8.9875	8.9575-8.9675	9½-10½ore dis	−13.38	20½-21½dis	−8.37
W. Ger.	2.5100-2.5300	2.5180-2.5190	0.65-0.60pf pm	2.98	2.05-2.00 pm	3.22
Portugal	88.90-89.55	89.25-89.55	90-215c dis	−20.47	265-680dis	−20.47
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−12.88
Italy	1,434½-1,443	1,435-1,436	12½-14 lire dis	−11.07	35-37 dis	−10.03
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−5.95
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	7.3425-7.3650	7.3440-7.3450	2.15-2.65ore dis	−3.92	5.40-5.90dis	−3.09
Japan	268.60-270.15	269.55-269.65	0.78-0.70y pm	3.29	2.25-2.15 pm	3.26
Austria	17.68-17.74	17.71½-17.72¼	4¾-3¾gro pm	2.54	13¼-10¼ pm	2.71
Switz.	2.1500-2.1640	2.1520-2.1530	1.29-1.22c pm	7.00	3.67-3.60 pm	6.75

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 51.25-51.35.

EXCHANGE CROSS RATES

Oct. 15	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.704	4.293	459.5	12.125	3.668	4.680	2445.	2.096	83.25
U.S. Dollar	0.587	1.	2.520	269.7	7.118	2.153	2.747	1435.	1.230	48.87
Deutschemark	0.233	0.397	1.	107.0	2.825	0.854	1.090	569.5	0.488	19.39
Japanese Yen 1,000	2.176	3.707	9.346	1000.	26.39	7.982	10.18	5321.	4.560	181.2
French Franc 10	0.825	1.405	3.540	378.9	10.	3.025	3.860	2016.	1.728	68.66
Swiss Franc	0.273	0.464	1.170	125.3	3.306	1.	1.276	666.7	0.571	22.70
Dutch Guilder	0.214	0.364	0.917	98.18	2.591	0.784	1.	522.4	0.448	17.78
Italian Lira 1,000	0.409	0.697	1.756	187.9	4.959	1.500	1.914	1000.	0.857	34.05
Canadian Dollar	0.477	0.813	2.048	219.3	5.786	1.750	2.233	1167.	1.	39.73
Belgian Franc 100	1.201	2.046	5.156	552.0	14.56	4.405	5.608	2937.	2.517	100.

MONEY MARKETS

Heavy shortage

UK clearing bank base lending rate 9½ per cent (since October 14 and 15)

Day to day credit was in very short supply in the London money market yesterday. The Bank of England forecast a shortage of £950m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills — £390m, Exchequer transactions—£320m and a rise in the note circulation of £200m. The forecast was later revised to a shortage of around £900m and the Bank gave assistance in the morning of £493m. This comprised purchases of £65m of eligible bank bills in band 1 (up to 14 days) at 9⅞ per cent and £304m in band 2 (15-33 days) at 9⅞ per cent. In band 3 (34-63 days) it bought £1m of local authority bills and £63m of eligible bank bills at 9 11/16 per cent. It also arranged sale and repurchase agreements on £60m of bills at 9¾ per cent, unwinding on November 22.

Further help was given in the afternoon of £510m, making a grand total of £1,003m. The afternoon help comprised purchases of £4m of eligible bank bills in band 1 at 9⅞ per cent and £131m in band 2 at 9⅞ per cent. In band 3 it bought £50m of Treasury bills and £26m of eligible bank bills at 9 11/16 per cent and gave additional help by arranging sale and repurchase agreements on £299m of bills at 9¾ per cent, unwinding on November 22.

LONDON MONEY RATES

Oct. 10 1988	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	9-13	10⅝-11	—	—	8¾-10⅝	9½-10¼	—	—	—
2 days notice	—	—	10-10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10⅛-10⅜	10-10¼	—	—	—	9½-9⅝	—	—	—
One month	[illegible]	[illegible]	10	10½-10¼	10	10⅛	9⅝	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	9⅝	10⅛-9¾	9⅞	10⅛	9⅞	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	9⅞	9⅞-9½	9⅝	10	9⅝-5	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	9⅞	[illegible]	9⅝	9⅞	—	—	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	—	[illegible]	9⅝	—	—	—	—	—
One year	[illegible]	[illegible]	9⅝	[illegible]	9⅝	—	—	—	—	—
Two years	—	—	9⅝	—	—	—	—	—	—	—

ECGD Fixed Rate Sterling Export Finance, Scheme IV Average Rate for interest period September 5 to October 5 1982 (inclusive): 15.897 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 10 per cent; four years 10½ per cent; five years 10¾ per cent. ◆Bank bill rates in table are buying rates for prime papers. Buying rate for four-month bank bills 9¾ per cent; four-month trade bills 9¾ per cent.

Approximate selling rate for one-month Treasury bills 9½ per cent; two months [illegible] per cent; and three-months [illegible] per cent. Approximate selling rate for one-month bank bills 9½ per cent; two months [illegible] per cent and three-months [illegible] per cent; one-month trade bills [illegible] per cent; two-month [illegible] per cent; three months [illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from October 1, 1982. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Clearing Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 8.9664 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held at one month 10 per cent; one-three months 9¾ per cent; three-12 months 9½ per cent. Under £100,000 8 per cent from October 13. Deposits held under Series 1-5 9½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

OTHER CURRENCIES

Oct. 15	£	$		£ Note Rates
Argentina Peso	51,807†	30,450†	Austria	30.00-30.30
Australia Dollar	1.8005-1.8025	1.0575-1.0585	Belgium	87.10-88.10
Brazil Cruzeiro	364.05-365.05	[illegible]	Denmark	15.19-15.34
Finland Markka	[illegible]	[illegible]	France	12.05-12.20
Greek Drachma	[illegible]	71.55-71.85	Germany	4.27¼-4.31¼
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	147.70*	86.85*	Japan	458-463
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	4.65-4.71
Luxembourg Fr.	[illegible]	48.86-48.88	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	150-173
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	5.8615-5.8675	3.4380-3.4400	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	3.65-3.69
Sth. African Rand	[illegible]	[illegible]	United States	1.69½-1.71¼
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	115-117

† Rate shown for Argentina is commercial. Financial rate 58,334-58,374 against sterling 33,950-35,000 against dollar. * Selling rate.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 15	Short term	7 days notice	Month	Three Months	Six months	One Year
Sterling	10-10¼	10-10¼	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sw. Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Deutschm'rk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italian Lira	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Belg. Franc Fin.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Conv.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D. Krone	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia $ (Sing.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. OCTOBER 15)

3 months U.S. dollars		6 months U.S. dollars	
bid 10 5/16	offer 10 7/16	bid [illegible]	offer [illegible]

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982 High	1982 Low
METALS					
Aluminium	£810/815		£810/815	£810/815	£810/815
Free Market c.i.f.	$940/970		[illegible]	[illegible]	[illegible]
Antimony					
Free Market 99.6%	$2000/100		[illegible]	[illegible]	[illegible]
Copper-Cash High Grade	£898	+59.5	[illegible]	[illegible]	[illegible]
3 months Do. Do.	£888.5	+39	[illegible]	[illegible]	[illegible]
Cash Cathodes	£855.75	+41.75	[illegible]	[illegible]	[illegible]
3 months Do.	£867.75	+37.75	[illegible]	[illegible]	[illegible]
Gold per oz.	$434.5	+18	[illegible]	[illegible]	[illegible]
Lead Cash	£299	+5.5	[illegible]	[illegible]	[illegible]
3 months	£308.75	+5.375	[illegible]	[illegible]	[illegible]
Nickel	£4155.6		[illegible]	[illegible]	[illegible]
Free Markets c.i.f. lb.	[illegible]		[illegible]	[illegible]	[illegible]
Platinum per oz.	£250		[illegible]	[illegible]	[illegible]
Free Market per oz.	£208.40	+18.4	[illegible]	[illegible]	[illegible]
Quicksilver (76 lbs)	[illegible]		[illegible]	[illegible]	[illegible]
Silver per oz.	571.20p	+50.45	[illegible]	[illegible]	[illegible]
3 months per oz.	582.95p	+50.25	[illegible]	[illegible]	[illegible]
Tin cash	£7,252.5	−42.5	[illegible]	[illegible]	[illegible]
3 months	£7,247.5	−47.5	[illegible]	[illegible]	[illegible]
Tungsten Ind.	$106.24		[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb.)	[illegible]		[illegible]	[illegible]	[illegible]
Zinc cash	£451	+5	[illegible]	[illegible]	[illegible]
3 months	£460.25	+5.5	[illegible]	[illegible]	[illegible]
Producers	$800/850		[illegible]	[illegible]	[illegible]
GRAINS					
Barley Futures	£111.45w	−0.55	£103.90	£112.00	£102.50
Maize French	£152.50		£127.50	£158.00	£151.00
WHEAT Futures	£110.40w	−0.30	£109.10	£124.40	£107.80
Hard Winter Wheat	[illegible]		[illegible]	[illegible]	[illegible]
SPICES					
Cloves	[illegible]		[illegible]	[illegible]	[illegible]
Pepper, white	[illegible]		[illegible]	[illegible]	[illegible]
black	[illegible]		[illegible]	[illegible]	[illegible]
OILS					
Coconut (Philippines)	$420u		[illegible]	[illegible]	[illegible]
Groundnut	[illegible]		[illegible]	[illegible]	[illegible]
Linseed, Crude	[illegible]		[illegible]	[illegible]	[illegible]
Palm Malayan	$358.5t	+8	$512.5	$545	$347.5
SEEDS					
Copra (Philippines)	$270u	—	$365	$355	$260
Soyabeans (U.S.)	$255	−1.5	$270.5	$377	$311.5
OTHER COMMODITIES					
Cocoa Shipments §	£995	—	£1,384	£1,275	£890
Cocoa Futures March	£1,091.5	+4	£1,277.5	£1,223.5	£866.5
Coffee Futures Jan	£1,481.5	+46.5	£1,109	£1,491.5	£1,035.5
Cotton Index	70.85c	—	75.45c	78.10c	57.80c
Des. Coconut	£440	—	£620	£540	£440
Gas Oil Fut. Nov	$319.75	+1	$318.75	$523	$235.25
Jute LJ ABW 0 grade	£258u	−12	£200	£270	£226
Rubber kilo	49p	+1	56p	58.70p	43p
Sago Pearl	£240u	—	£252	£250	£220
Sisal No. 3L	$640/660u	—	$680	$640/660	$595/610
Sugar (Raw)	£91u	—	£160	£177	£82
Tapioca No. 1	£250u	—	£228	£245	£215
Tea (quality) kilo	135p	—	122p	157p	117p
(plain) kilo	‡	—	87p	80p	75p
Wooltops, 64s Warp	365p kilo	−4	501p kilo	402p kilo	365p kilo

Unquoted. (o) Madagascar. (t) November. (w) January. (u) October-November. * Nominal. § Ghana cocoa.

REVIEW OF THE WEEK

Copper prices surge to year's high

BY OUR COMMODITIES STAFF

THE UPSURGE in copper values on the London Metal Exchange continued this week encouraged early on by the rise in the value of gold, another buying flurry on Wall Street and hopes of further cuts in interest rates. After stalling in midweek the rise was resumed on sustained spot buying by an influential operator who had been involved earlier this year in squeezing of tin. Heavy selling by a source which had formerly been a strong buyer slowed the advance. Higher grade cash metal still ended £59.50 up on the week at £898.00 a tonne—its highest level since last November.

The spot buying resulted in the usual cash discount disappearing and a £9.50 premium over the three months delivery position being established.

A minor additional influence in the copper rise was a forecast by Amalgamated Metal Trading of London that improved demand would lift the copper price to £980 a tonne by the end of this year.

Tin prices drifted in quiet conditions with cash standard metal ending £42.50 down at £7,252.50 a tonne. Most of the fall came yesterday when dealers said International Tin Council support appeared to be absent.

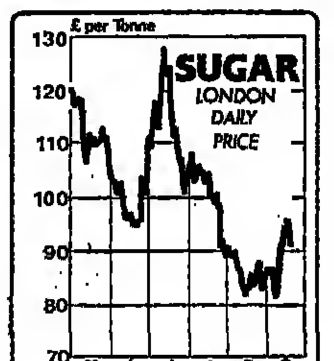
The copper rise encouraged modest advances in lead and zinc. Cash lead closed £5.50 up on the week at £299 a tonne while zinc gained £5.00 to £451 a tonne.

Silver was lifted by the early strength of gold and the cash quotation on the London bullion market was fixed yesterday at 571.2p a troy ounce, up 50.45p on the week. The free market platinum price gained £18.40 to £208.40 an ounce.

Sugar prices fell back on the world market yesterday after being boosted previously by rumours of Cuban buying, the withdrawal of the Dominican Republic from the market because of low prices, and hopes that the EEC would agree to take more of its surplus production off the market this year. The London daily raws price ended unchanged at £91 a tonne after reaching £96 a tonne at one stage.

At a meeting in Brussels the International Sugar Organisation tried to persuade the EEC, which is not a member, to stockpile extra sugar in parallel with the stated plans of ISO member countries to help stop the slide in prices. The EEC is expected to produce a 5.5m tonnes surplus this year.

No formal agreement was reached but Common Market officials said after the meeting that the Community was likely to hold sugar off the world market. Yesterday a communiqué issued in Paris by the International Confederation of European Beet Growers and the European Committee of Sugar Producers said Community stocks would be maintained at current levels during the 1982/83 season. Last year producers stocked 992,000 tonnes of "C" quota sugar but this was automatically been carried forward into this year's "A" or "B" quotas.



BASE METALS

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £875.00, 76.50, 77.00, 77.50, 78.00, 79.00, three months 883.00, [illegible]. Cathodes, cash £825.00, three months £844.00, 45.00. Kerb: Higher Grade, three months [illegible]. Afternoon: Higher Grade, three months [illegible]. Cathodes, three months £857. Kerb: Higher Grade, three months £887, [illegible]. Turnover 33,450 tonnes.

COPPER	a.m. Official	+ or	p.m. Unofficial	+ or
HighGrade	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	—	
Cathodes				
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	—	
U.S. Prod.	—		[illegible]	

TIN

Tin—Morning: Standard: Cash £7,255, 50, three months £7,250, 45, 35. Kerb: Standard: Cash £7,260, three months £7,235, 40, 45. Afternoon: Standard: Cash £7,260, three months [illegible]. Kerb: Standard: Three months £7,240. Turnover: 880 tonnes.

TIN	a.m. Official	+ or	p.m. Unofficial	+ or
High Grade	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	—	
Standard				
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	—	
Straits E.	[illegible]	[illegible]	—	
NewYork	—			

LEAD

Lead—Morning: Three months £307.00, 08.00, 07.50. Kerb: Three months £308.00, 07.50. Afternoon: Three months £307, 07.5, 08, 08.5. Kerb: Three months £309, 10. Turnover: 8,675 tonnes.

LEAD	a.m. Official	+ or	p.m. Unofficial	+ or
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	—	
U.S. Spot	—		[illegible]	

ZINC

Zinc—Morning: Cash £452.00, 51.50, three months £459.50, 60.00, 59.00, 60.00, 59.00, 60.00, 60.50, 61.00. Kerb: Three months [illegible]. Afternoon: Three months £461.00. After-noon: Three months [illegible]. Three months £460, 60.5, 61. Turnover 13,050 tonnes.

ZINC	a.m. Official	+ or	p.m. Unofficial	+ or
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	—	
Primw'ts	—		[illegible]	

INDICES

FINANCIAL TIMES

Oct. 15	Oct. 14	M'th ago	Y'ar ago
231.43	233.15	250.37	250.50

(Base: July 1 1952 = 100)

REUTERS

Oct. 15	Oct. 14	M'th ago	Y'ar ago
1514.1	1533.7	1594.7	1644.8

(Base: September 18 1931 = 100)

MOODY'S

Oct. 14	Oct. 13	M'th ago	Y'ar ago
984.2	976.6	1003.4	1007.7

(December 31 1931 = 100)

DOW JONES

Dow Jones	Oct. 14	Oct. 13	Month ago	Year ago
Spot	127.07	127.78	129.26	—
Fut's	136.80	137.06	133.38	—

(Base: December 31 1974 = 100)

ALUMINIUM

Aluminium—Morning: Three months £577.00, 76.50, 77.00, 76.50, 77.00, 77.50. Kerb: Three months £578.00, 77.50, 77.00, 76.00. Afternoon: Three months £577, 76, 77. Kerb: Three months 577, 76, 78.5, 77. Turnover 16,075 tonnes.

Aluminm	a.m. Official	+ or	p.m. Unofficial	+ or
	£	£	£	£
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]

NICKEL

Nickel—Morning: Three months £2,335, 30, 25, 20, 15, 10, 20, 15, 10, 05. Kerb: Three months £2,310, 05. Afternoon: Cash £2,305, three months £2,305, 10, 20, 25, 30, 25. Kerb: Three months £2,320, 30. Turnover: 1,158 tonnes.

NICKEL	a.m. Official	+ or	p.m. Unofficial	+ or
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE

COFFEE	Yest'day's Close	+ or	Business Done
Nov	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]

Sales: 5,294 (5,531) lots of 5 tonnes. ICO indicator prices for Oct 14 (U.S. cents per pound): Comp daily 1979 129.02 (129.89); 15-day average 129.39 (129.02).

SILVER

LME—Turnover 137 (172) lots of 10,000 ozs. Morning: cash 570.0, three months 582.0, 81.0, 83.0, 82.0, 81.0, 79.5, 81.5, 80.0, 80.5, 80.1. Kerb: three months 581.0, 82.0, 81.3, 81.5. Afternoon: three months 582, 85, 84.5, 85, 85.5, 84.5, 84, 83.5. Kerb: three months 584, 83, 84.5, 84.

SILVER per troy oz	Bullion fixing price	+ or	L.M.E. p.m. Unoffic'l	+ or
Spot	571.20p	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
6 months	[illegible]	[illegible]	—	
12months	[illegible]	[illegible]	—	

Silver was fixed 2.2p an ounce lower for spot delivery in the London bullion market yesterday at 571.2p. U.S. cent equivalents of the fixing levels were: spot 973c, down 7.2c; three-month [illegible]; six-month [illegible]; and 12-month [illegible]. The metal opened at [illegible] and closed at [illegible].

COCOA

COCOA	Yesterday's Close	+ or	Business Done
	£ per tonne		
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]

Sales: 2,022 (2,094) lots of 10 tonnes. ICCO—Daily price for Oct 15: 75.52 (76.73). Indicator price for Oct 16: 76.58 (76.57).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or	BARLEY Yesterd'ys close	+ or
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	—	
Sept	[illegible]	[illegible]	[illegible]	[illegible]

Business done—Wheat: Nov 112.60-2.35, Jan 115.75-5.40, March 118.75-8.30, May 121.20-1.05, July 124.45-4.25, Sept untraded. Sales: 186 lots of 100 tonnes. Barley: Nov 108.00-7.95, Jan 111.55-1.45, March 114.50-4.40, May 117.00-7.25, Sept untraded. Sales: 139 lots of 100 tonnes.

POTATOES

Prices slipped on all positions as liftings progressed in most areas, reports Coley and Harper.

Month	Yesterd'y's close	Previous close	Business Done
	£ per tonne		
Nov	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]

Turnover: 136 (233) lots of 40 tonnes.

RUBBER

The London physical market opened slightly easier, attracted little interest throughout the day and closed dull. Lewis and Peat report a November fob price for No 1 RSS in Kuala Lumpur of 204.0 (204.75) cents a kg and SMR 20 174.0 (174.5).

No. 1 R.S.S.	Yesterdays close	Previous close	Business Done
Nov	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]

Sales: 86 (404) lots of 15 tonnes. Physical closing prices (buyers) were: Spot 49.00 (same); Nov 52.25p (51.75p); Dec 52.00p (52.00p).

SOYABEAN MEAL

The market opened slightly easier but found heavy trade buying and small rises were soon posted, reports T. G. Roddick. Prices held steady with additional support from commission house technical buying.

	Yesterday's Close	+ or	Business Done
	£ per tonne		
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]

Sales: 317 (214) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £91.00 (£90.00) a tonne cif Oct-Nov shipment. White sugar daily price £116.00 (£111.00).

No. 4 Con-tract	Yesterday's close	Previous close	Business done
	£ per tonne		
Jan	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]

Sales: 4,664 (3,779) lots of 50 tonnes. Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £185.00 (£200.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Oct. 14: daily price 5.92 (6.11); 15-day average 5.72 (5.73).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Oct 110.60, Nov 111.50, Dec 112.60 trans shipment East Coast sellers. English Feed fob Oct 115.80, Nov 118.50, Dec 118.50 East Coast sellers. Maize: French Oct 122.50, Nov 136.50 trans shipment East Coast sellers. Barley: English Feed fob Nov 112.50 East Coast sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Other milling wheat: E. Midlands 103.30. Feed barley: Eastern 105.00, E. Midlands 103.30, N. East 103.90, Scotland 103.10. The UK monetary coefficient for the week beginning Monday October 18 is expected to remain unchanged.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	33.35-33.40	—
Iranian Light	31.10-31.20	+0.10
Arabian Heavy	30.65-30.80	−0.00
North Sea (Forties)	34.25-34.40*	—
African (Bonny Light)	35.00-35.10	−0.10
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	342-347	−1.0
Gas oil	323-324	−0.5
Heavy fuel oil	175-176	—

* Unchanged (previous quotation incorrect).

GAS OIL FUTURES

A weaker opening followed the U.S. stock figures, the overnight fall in gold and the European currencies. Prices continued to drift down before finding support around $320 basis December, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Oct	310.25	−2.00	316.50-15.25
Nov	319.75	−1.50	320.50-19.25
Dec	320.50	−2.25	321.75-20.00
Jan	318.50	−1.75	320.00-18.25
Feb	316.50	−2.00	317.00-16.25
March	309.00	−4.00	309.00
April	304.00	−4.00	304.00
May	298.00	−7.00	—
June	298.00	−6.50	—

Turnover: 1,073 (2,584) lots of 100 tonnes.

Gold fell $17 an ounce from Thursday's close in the London bullion market yesterday to finish at $434-435. The metal opened at $434½-435½ and was fixed at $437.25 in the morning and $432.5 in the afternoon, its low for the day, having touched a high of $437½-438½. The weaker trend was mainly a reflection of market nerves ahead of U.S. money supply figures which are expected to show a substantial rise.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	£ per troy ounce		
October	254.50-6.50	−8.375	—
November	255.50-7.00	−8.375	256.35
December	258.00-0.30	−7.850	260.50-57.0
January	260.00-1.30	−7.850	—
February	262.50-3.30	−8.350	—
March	265.60-6.30	−8.350	—
April	266.00-8.50	−8.250	—

Turnover: 138 (160) lots of 100 troy ounces.

	Oct. 15		Oct. 14	
Gold Bullion (fine ounce)				
Close	$434-430	(£254¾-255¼)	$451-452	(£264-264½)
Opening	$434½-435½	(£255¼-253¾)	$447-448	(£260¾-261¼)
Morning fixing	$437.25	(£256.949)	$448	(£261.438)
Afternoon fixing	$432.50	(£254.232)	$448	(£262.295)

Gold Coins Oct. 15

Krugrnd	$446½-447½	(£261¼-262¾)	King Sov	$102-104	(£50¾-60¾)
½ Krug	$231-232	(£135¾-136¼)	Victoria Sov	$102-104	(£59¾-60¾)
¼ Krug	$117¾-118¾	(£69¼-69¾)	French 20s	$85¾-89	(£51-52¼)
1/10 Krug	$48-48	(£28¼-29¾)	50 pesos Mex	$526-520	(£309-310¾)
Mapleleaf	$448-450	(£263¼-264¼)	100 Cor. Aust	$420-400	(£246¾-249¾)
New Sov	$102½-103½	(£60¼-60¾)	$20 Eagles	$470-480	(£276-281¾)
½ New Sov	$60½-62½	(£35¼-36¼)			

AMERICAN MARKETS

NEW YORK, October 15.

GOLD REMAINED VOLATILE and sold-off on continued reports of producer selling. Silver continued to come under pressure from profit-taking and on fears of a bulge in money. The weakness in precious metals spilled over into copper as long liquidation and profit-taking pressured values. Cocoa came under light selling pressure from the 2.7 per cent increase in the U.S. grind which was lower than expected. Coffee was featureless on a general lack of fresh news. Sugar was marginally higher on a report that the EEC would reduce plantings in 1983 and stockpile surplus "C" quota sugar. The soyabean and corn complex came under renewed selling pressure reflecting a favourable harvest and continued lack of export demand. It is believed that the USSR will continue to buy grain from U.S. suppliers and that they will buy 23 million tonnes as Canada and the EEC are offering the USSR attractive credit packages. Cotton declined on favourable harvest weather and evening-up ahead of the export sales report in anticipation of continued weak demand. Heating oil traded in a narrow range in light volume on the American Petroleum Institute's report indicating a build-up in distillate stock was expected and the market lacked fresh fundamental developments after recent sharp gains, reported Heinold.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

NEW YORK

COCOA 10 tonnes; $/tonnes

	Latest	High	Low	Prev
Dec	15.32	1552	1518	1537
March	1609	1627	1596	1618
May	1662	1662	1640	1658
July	1695	1695	1680	1693
Sept	1730	1730	1730	1729
Dec	1770	1775	1765	1774

COFFEE "C" 37,000 lbs; cents/lbs

	Close	High	Low	Prev
Dec	139.48	142.00	139.25	141.10
March	136.41	137.30	135.25	136.88
May	129.02	129.60	128.20	129.25
July	124.33	124.60	123.50	124.25
Dec	117.00	118.00	116.50	118.13
March	115.50	116.00	116.25	115.75

COPPER 25,000 lbs; cents/lbs

	Close	High	Low	Prev
Oct	66.70	—	—	68.20
Nov	67.00	—	—	68.50
Dec	67.70	68.95	67.35	69.20
Jan	68.15	69.30	67.50	69.60
Mar	69.00	70.95	68.80	70.45
May	70.05	71.10	69.60	71.45
July	71.10	72.10	70.50	72.45
Sept	72.10	73.00	72.00	73.45
Dec	73.60	74.80	73.80	74.95
Mar	75.00	75.90	75.00	76.35

COTTON 50,000 lbs; cents/lbs

	Latest	High	Low	Prev
Dec	65.46	66.00	65.25	65.66
March	67.35	67.70	67.10	67.48
May	68.70	68.95	68.45	68.65
July	69.85	69.90	69.53	69.90
Oct	69.31	69.43	69.22	69.50
Dec	69.60	69.65	69.25	69.50

GOLD 100 troy oz; $/troy oz

	Close	High	Low	Prev
Oct	428.0	438.5	425.0	440.2
Nov	429.0	—	—	441.5
Dec	433.0	444.7	430.0	445.5
Feb	439.7	450.0	437.0	452.2
April	446.7	457.4	445.5	459.2
June	453.8	465.0	462.5	466.2
Aug	461.2	471.5	470.5	473.7
Oct	468.9	478.5	475.0	481.4
Dec	476.8	485.0	478.0	489.3
Feb	484.9	—	—	497.4
April	493.2	—	—	505.7
June	[illegible]	—	—	[illegible]
Aug	[illegible]	—	—	[illegible]

SILVER 5,000 troy oz; cents/troy oz

	Close	High	Low	Prev
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	High	Low	Prev
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

CHICAGO

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	High	Low	Prev
Oct	61.90	63.55	61.90	62.45
Dec	62.75	63.22	62.55	62.32
Feb	61.25	61.75	60.90	61.12
April	60.92	61.60	60.85	61.02
June	61.32	61.77	61.15	61.27
Aug	59.55	60.20	59.55	59.85

LIVE HOGS 30,000 lbs; cents/lbs

	Close	High	Low	Prev
Oct	58.50	53.80	58.00	57.67
Dec	59.00	59.67	58.60	58.17
Feb	59.10	59.55	58.50	58.50
April	54.62	55.15	54.40	54.27
June	54.67	55.35	54.45	54.72
July	54.02	54.60	53.75	53.95
Aug	51.22	51.95	51.05	50.97

MAIZE 5,000 bu min; cents/56lb-bushel

	Close	High	Low	Prev
Dec	220.2	224.0	220.2	222.2
March	235.4	238.6	235.2	237.0
May	246.2	249.2	245.6	247.4
July	254.0	257.2	253.6	255.2

PORK BELLIES 38,000 lbs; cents/lbs

	Close	High	Low	Prev
Feb	84.40	84.40	83.40	82.40
March	82.72	82.72	81.50	80.72
May	81.97	82.05	80.50	80.25
July	79.75	79.90	78.15	78.02
Aug	77.50	77.50	76.00	75.85

SOYABEANS 5,000 bu min; cents/60lb-bushel

	Close	High	Low	Prev
Nov	536.0	546.0	535.4	544.2
Jan	550.0	560.0	550.0	558.2
March	565.0	574.4	564.4	573.4
May	576.0	585.0	575.4	583.6
July	583.0	592.2	582.4	591.2
Aug	583.0	590.0	583.0	591.6
Sept	582.0	584.4	582.0	590.4
Nov	583.0	592.0	582.0	591.0

SOYABEAN MEAL 100 tons; $/ton

	Close	High	Low	Prev
Oct	154.0	156.3	154.0	156.0
Dec	158.3	160.7	158.3	160.4
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lbs; cents/lbs

	Close	High	Low	Prev
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 518.0, 511.0, 511.0-518.0; Dec 522.0, 524.0, 527.0-522.0; March 537.5, 538.5, 538.5, 537.0; May 543.0, 545.0, 544.0-542.5; July 547.0, 548.5, 548.0-548.0; Oct 539.0, 540.0, 539.5-539.0; Dec 545.0, 547.0, 545.0; March 547.0, 550.0, untraded. Sales: 70.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 343, 357, nil; Dec 360, 371, 366; Jan 373, 377, 376; March 385, 387, 387-385; May 394, 400, 398-396; August 412, 413, 414; Oct 417, 418, 419-417; Dec 424, 425, nil; Jan 423, 424, nil; March 428, 429, 429. Sales: 31.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution; but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ⊕ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

COMMONWEALTH CORPN.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL, INDUSTRL.

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATERWORKS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

UNLISTED SECURITIES MARKET

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

(By permission of the Stock Exchange Council)

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at September 30, 1982, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at Sept. 30, 1982 (£m.)	% of all share index	Market capitalisation as at June 30, 1982 (£m.)	% of all share index	Market capitalisation as at Mar. 31, 1982 (£m.)	% of all share index
1 CAPITAL GOODS GROUP (209)	25,612.8	23.91	22,815.2	23.83	21,602.3	22.57
2 Building Materials (24)	3,310.0	3.10	3,665.2	3.11	2,871.6	3.00
4 Contracting, Construction (26)	1,524.6	1.42	1,556.2	1.63	[illegible]	1.77
5 Electricals (14)	12,762.8	11.93	[illegible]	[illegible]	[illegible]	[illegible]
6 Engineering Contractors (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Mechanical Engineering (61)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Metals and Metal Forming	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 Motors	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
20 Other Industrial Materials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (203)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (24)	2,378.7	2.41	2,337.3	2.45	3,614.1	2.73
32 Newspapers, Publishing (13)	338.3	0.31	317.0	0.33	313.5	0.33
33 Packaging and Paper (14)	1,088.7	0.97	1,021.4	1.07	1,671.8	1.12
34 Stores (46)	9,340.3	8.73	7,037.2	7.38	7,318.8	7.64
35 Textiles (23)	1,018.8	0.95	676.1	1.62	1,048.7	1.10
36 Tobaccos (3)	2,978.4	2.78	2,433.8	2.55	2,300.1	2.40
39 Other Consumer (14)	205.0	0.16	184.9	0.20	204.3	0.21
41 OTHER GROUPS (76)	8,172.8	7.64	7,737.8	8.11	8,117.8	8.48
42 Chemicals (16)	3,136.9	2.68	3,110.8	3.28	3,270.3	3.42
44 Office Equipment (4)	436.3	0.41	457.5	0.48	562.8	0.59
45 Shipping and Transport (13)	800.3	0.84	820.2	0.96	957.9	1.00
46 Miscellaneous (44)	3,706.3	3.46	3,249.3	3.41	3,328.9	3.47
49 INDUSTRIAL GROUP (487)	70,319.0	65.65	60,284.8	63.22	58,805.1	61.83
51 Oils (13)	10,987.0	10.26	10,964.3	11.50	10,846.0	11.32
59 500 SHARE INDEX	81,303.0	75.61	71,248.8	74.72	70,051.1	73.16
61 FINANCIAL GROUP (117)	16,342.6	15.26	15,655.7	16.48	16,687.9	17.43
62 Banks (6)	3,823.5	6.57	3,858.2	4.03	3,951.7	4.13
63 Discount Houses (3)	185.0	6.17	142.7	0.18	149.8	0.16
65 Insurance (Life) (2)	2,256.7	2.11	1,938.0	2.03	1,990.7	2.08
66 Insurance (Composite) (10)	3,359.7	3.14	3,123.4	3.28	3,398.4	3.55
67 Insurance Brokers (7)	936.1	6.87	882.6	0.82	853.8	6.89
68 Merchant Banks (12)	771.6	6.79	757.0	0.77	806.2	0.84
69 Property (46)	3,900.0	3.64	3,916.1	4.11	4,399.8	4.59
70 Other Financial (18)	1,116.1	1.04	1,675.3	1.13	1,137.8	1.18
71 Investment Trusts (111)	5,933.6	8.54	5,323.4	5.58	5,582.4	8.83
81 Mining Finance (4)	2,109.1	1.87	1,817.3	1.90	1,973.7	2.08
91 Overseas Traders (18)	1,422.8	1.32	1,614.1	1.39	1,463.6	1.53
99 ALL-SHARE INDEX (750)	107,112.2	100.6	95,359.4	100.00	95,758.7	100.00

U.K. CONVERTIBLE STOCK 16/10/82

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	257.50	333.3	80-97	4.7	2.2	1.0	−2 to 8	31.1	82.6	20.3	+19.2
Hanson Trust 9½pc Cv. 01-06	81.54	147.25	71.4	85-01	6.6	5.7	2.1	0 to 8	85.8	73.2	−8.8	−10.5
Slough Estates 10pc Cv. 87-90	5.03	200.00	234.4	78-83	5.1		−8.2	−8 to 0	6.5	4.9	−0.8	+7.5
Slough Estates 8pc Cv. 91-94	24.72	98.00	97.5	80-88	8.4	8.6	8.1	3 to 15	23.9	32.9	10.0	+1.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

INTERNATIONAL COMPANIES and FINANCE

Steep fall for top Japanese store group

By Charles Smith in Tokyo

MITSUKOSHI, the leading Japanese department store group, whose president, Mr Shigeru Okada, was dismissed in August by a unanimous vote of the board of directors announced a drastic fall in profits for the six months ended August.

The company also announced yesterday that three directors, including the managing director who served under Mr Okada, had been demoted.

Mitsukoshi's sales for the six months were unchanged at Y376.8bn. Operating profits were down 61 per cent to Y2.798bn ($10.4m).

The sharp fall in profitability reflects a deterioration in Mitsukoshi's financial balance resulting from excessively high stock levels. Some reduction in the stock levels occurred in the six months but Mitsukoshi still held goods worth an equivalent of roughly 1.4 months' sales at the end of the accounting period—nearly 60 per cent more than the normal level for a Japanese department store.

The cost burden associated with the high stock levels contributed to a fall in the company's balance on interest paid and interest received from Y2.92bn to Y2.19bn.

A large portion of Mitsukoshi's excessive stocks—possibly as much as one-third—is believed to consist of luxury imported goods which have proved hard to sell in the depressed economy. About half of all imports were purchased from a single supplier, Takehisa Accessory, with which the company severed relations after the dismissal of Mr Okada.

Mitsukoshi aims to lower its stocks further in the second half of the year, but early indications are that this could prove difficult. In September, sales at nearly all Mitsukoshi stores fell sharply from year-ago levels. The fall apparently reflected the negative publicity that resulted from the management upheaval as well as publicity surrounding an exhibition of ancient Persian treasures, some of which were alleged to be fakes.

Mitsukoshi's profits are expected to fall further during the second half of the current year.

Losses at Thomson-CSF deteriorate in first half

BY DAVID WHITE IN PARIS

LOSSES at Thomson-CSF, the French electronics and telecommunications group, have deteriorated sharply this year, reaching FFr 556m ($79m) in the first half.

This figure is almost nine times last year's total consolidated loss of FFr 65m, and the company made clear it expected to fare as poorly in the second half.

The problems which have weighed it down since the first half of last year, when it was still in profit to the tune of FFr 84m, are particularly acute in its telephone and medical branches.

The poor earnings record at Thomson-CSF, which is 42 per cent controlled by the nationalised Thomson-Brandt group, led to the resignation last month of its chairman, M Jean-Pierre Bouyssonnie. Already ousted earlier in the year from the chairmanship of the parent company, he had been kept on at the head of the electronics unit—the biggest part of the business—after nationalisation.

The loss figure refers to the accounts of the company before consolidation but after provisions, and can be considered broadly indicative of group performance.

The company said it hoped for an improvement next year, following strong growth in its order book, which expanded from FFr 30bn at the end of last year to some FFr 40bn on June 30.

Consolidated sales declined slightly in real terms, showing an increase of only 8 per cent at FFr 12.58bn.

Sharp rise in CGCT deficit

BY DAVID MARSH IN PARIS

CGCT, the French telecommunications subsidiary of ITT whose final nationalisation terms were agreed on Thursday night, made a loss of around FFr 235m ($33m) in the first nine months of this year, officials in Paris said yesterday.

The drastic increase in losses—compared with only FFr 6m in 1981—shows the extent of the company's financial deterioration during recent months of uncertainty over its future.

The accord clinched between ITT and the French Government provides for France to pay FFr 215m to take over the company and its three local affiliates.

This is well down from the earlier price of FFr 350m agreed after months of long drawn out negotiations at the end of July.

The difference of FFr 135m, according to officials, is in line with the agreement that ITT would make good any losses of CGCT in excess of FFr 100m for the first nine months of the year. This implies a figure for nine months losses of FFr 235m, although final accounting has yet to be completed.

CGCT's rising short term debts, which some unconfirmed estimates put at FFr 1bn, have been causing growing anxiety to bankers. At least one prominent U.S. bank in Paris, formerly associated with the company, has in recent months pulled out of the banking consortium lending to CGCT because of worries about its future.

The French Government now has to appoint a new president for the company, who should be named in a matter of days, officials say.

Details of how CGCT will be fitted into France's overall electronics restructuring plan are still to be worked out. Additionally, the analysis of state financial aid for the company—probably at least FFr 2bn over several years—and of new telecommunications orders from the post office to keep it afloat have to be settled between now and the end of the year.

Sodexho raises Borel offer

By Our Financial Staff

SODEXHO has edged up its offer for Borel International, the rival French catering group, to FFr 180 ($25.27) a share from the original bid of FFr 178.50. The move follows a recent monopolies ruling clearing the way for Sodexho to bid for Borel.

Borel is also subject to a takeover offer from Novotel, a hotels group.

Like its predecessor, the new offer from Sodexho is a mixture of cash, shares and convertible bonds.

Kaiser Cement suffers third quarter setback

BY OUR FINANCIAL STAFF

KAISER CEMENT, seventh largest U.S. producer of cement, has incurred a 75 per cent fall in third quarter net earnings from $9.993m or $1.35 a share to $2.49m or 31 cents. Revenues also dipped from $66.2m to $61.7m.

This left nine-month earnings 39 per cent lower at $11.64m or $1.50 a share against $19.14m or $2.57. 9m revenues of $166.1m compared with $184.5m.

Mr Walter Ousterman, president chairman and chief executive, said: "Our markets are not yet showing any signs of recovery. However a three-year decline in cement demand appears to have ended, and if the recent drop in interest rates continues, we would expect some improvement.

Demand remained lower than last year, but Kaiser Cement shipped 769,203 tons of cement, a 6 per cent increase on last year.

Bofors to take 25% stake in KemaNobel

By William Dullforce in Stockholm

BOFORS, the Swedish armaments group, is buying a 25 per cent stake in KemaNobel, the Swedish chemicals group. No price has been disclosed but on a stock market value basis, Bofors would be paying some SKr 300m ($41m).

At the same time yesterday, Bofors announced a 9 per cent increase in earnings at the eight-month stage to SKr 106m on consolidated sales up by SKr 377m to SKr 2.62bn.

The deal with KemaNobel is the second time this month that a 25 per cent stake in a concern regarded as belonging to the Wallenberg group has been sold to a non-Wallenberg company. Volvo earlier paid SKr 680m for a quarter of Atlas Copco.

The difference between the deals is that two "Wallenberg" investment companies sold part of the Atlas Copco stock acquired by Volvo while Bofors is understood to be buying the KemaNobel shares from a source outside the Wallenberg sphere.

Both purchases can be seen as portfolio investments. Under Swedish rules, a 25 per cent stake in a company is classified as an "organisation shareholding," dividends from which are free of tax.

Bofors said yesterday that important synergy effects could be obtained from co-operation between its military explosives operation and KemaNobel's civil explosives subsidiary, Nitro Nobel. Special chemicals offer another field for co-ordination.

KemaNobel last year turned in a SKr 51m pre-tax profit on a SKr 3.3bn turnover, but reported strongly improved earnings in the first eight months of this year. In 1981, Bofors showed earnings of SKr 191m on sales of SKr 3.7bn.

This year, the armaments manufacturer expects to reach sales of SKr 4.1bn but, despite the profit advance at the eight-month stage, it is forecasting "somewhat" lower earnings for 1982 as a whole.

New product costs hit Amdahl results

BY PAUL TAYLOR IN NEW YORK

AMDAHL, the California-based manufacturer of large mainframe computers, yesterday reported a 92 per cent decline in third quarter profits.

Net profits fell from $7.46m or 37 cents a share last year to $630,000 or 3 cents a share on sales down 13.5 per cent at $100.13m.

The sharply lower third quarter earnings, the fourth consecutive quarterly decline, resulted in profits of $4.03m or 20 cents a share for the first nine months compared to $20.46m or $1 in the same period last year on revenues down from $319.1m to $316.7m.

Mr John Lewis, Amdahl's president, said: "The continuation of unfavourable foreign currency exchange rates, pressure on prices in the current economic environment and significant start-up costs for new products, particularly the 5860, has adversely affected the financial performance in the third quarter."

During the quarter, Amdahl had achieved "major milestones" by shipping its first 5860 computer, the first of its 6000 series disc products and the first of its 4400 series network communications product line.

Mr Lewis said that the company's plans for volume shipments of several new products would improve substantially the revenue and earnings potential of the company.

Earlier this week, Control Data reported third quarter earnings of $38.8m, an improvement over the company's second quarter results but 12 per cent below the $44.1m profits in the third quarter last year.

In contrast IBM, the world's dominant computer manufacturer, reported a 36 per cent improvement in third quarter profits to $944m.

Threefold gain backs up Swedish Match forecast

BY OUR STOCKHOLM CORRESPONDENT

SWEDISH MATCH improved earnings almost three-fold from SKr 15m to SKr 44m ($6m), in the first eight months of the year, with sales advancing by 12 per cent to SKr 4.59bn ($630m). The favourable profit trend is expected to continue, and the earlier forecast of a considerable recovery in 1982 pre-tax earnings from last year's SKr 76m, from SKr 225m in 1980, stands.

The effect of last week's devaluation of the Krona is expected to be neutral for 1982, with the improved operating result offsetting exchange losses on foreign borrowing. The devaluation will have "significant positive effects" on earnings over a full year, it is stated.

Group operating profits climbed from SKr 122m to SKr 203m in the eight months to August, with virtually all operations reporting better results. The improvement was limited by lower income than expected from gas production on Profit Island, Mississippi, and by exchange rate trends in Argentina and Chile.

Net financial costs rose from SKr 111m to SKr 163m, but this trend is reported to have been reversed since the beginning of September.

The match division reported an operating income of SKr 89m, against SKr 76m, and boosted its sales by 22 per cent to SKr 1.1bn. The Profil Island operation is included in this division.

The Tarkett flooring materials operation raised income by SKr 27m to SKr 57m, while sales more than doubled to SKr 1.1bn, reflecting the incorporation of the flooring division of the GAF Corporation of the U.S.

The particle board business continued to run at loss, but at a slower pace, SKr 11m against SKr 25m, and the door operation moved from a loss into a SKr 21m operating income, despite large losses incurred by the German subsidiary.

A 51 per cent holding in the French subsidiary, Société Allumettière Française (SAF) is being sold for an undisclosed sum to a French investment group and the French government-controlled tobacco and match company, Seita.

American Express increases earnings

By Our Financial Staff

AMERICAN EXPRESS, the major U.S. credit card, banking and financial services group, reports an increase of 12 per cent in net earnings for the third quarter of 1982.

The performance takes after-tax profits for the first nine months up to $425m, a rise of 9 per cent over the $390m returned for the opening nine months of 1981.

Third quarter net earnings are $163m, compared to $146m. This represents $1.70 a share, against $1.55. Nine month unit earnings are $4.43, against $4.16.

Revenues were $5.84bn for the nine months and $2.09bn for the third quarter, against $5.29bn and $1.83bn respectively. American Express gets around 75 per cent of its revenues from travel-related and insurance services.

Go-ahead for Peugeot Spain rationalisation

By Robert Graham in Madrid

MANAGEMENT and trades unions at Talbot, the Spanish subsidiary of Peugeot, have agreed on a complex plan to cut the workforce by nearly half and an injection of funds by Peugeot of almost $180m.

At the same time, the Government has agreed to provide assistance to Talbot, mainly in the form of contributing to the redundancy payments of 4,500 workers.

Until recently, Talbot had a 10,700 workforce. However, 2,600 were hived off to the truck division of Peugeot-Renault as part of a plan to rationalise Talbot's activities.

The redundancy agreement is a further, and hopefully, final effort to resolve Talbot's problems. It involves a period of alternative six months working for 4,500 workers until 1985.

During this period, it is hoped to raise production from 61,000 to 100,000. The new funds will be in the form of a Pta 12bn ($10.5m) capital increase and Pta 6bn in long-term finance.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Reliance Unit Mgrs. Ltd.
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

British Life	80.5	85.1	-1.4	5.08
Reliance Unit Tst (Inc.)	54.2	58.0	-0.7	5.78
Reliance Ut Tst (Acc)	64.8	69.5	-0.9	5.78

Ridgefield Management Ltd.
1 Finsbury Sq., EC2A 1PD 01-588 6906

Income UT	73.7	79.3	-1.0	9.82
International UT	115.7	124.4	-0.5	1.53

Standard Life Trust Mgmt. Ltd.
3, George St., Edinburgh, EH2 2XZ. 031 225 2552

Income Units	102.4	110.9	-0.5	—
Accum. Units	102.4	110.9	-0.5	—

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†American Fund	118.6	126.3	—	2.50
Accum. Units	128.2	136.6	—	—
Withdrawal Units	96.0	102.4	—	—
*British Capital	225.4	240.4	—	6.54

Equity leaders recover from early dullness despite sizeable offerings of selected stocks—Gilts subdued

Account Dealing Dates			
*First Dealings	Declarations	Last Dealings	Account Day
Oct 4	Oct 14	Oct 15	Oct 25
Oct 18	Oct 28	Oct 29	Nov 8
Nov 1	Nov 11	Nov 12	Nov 22

* "New-time" dealings may take place from 9.30 am two business days earlier.

The drain on funds available for investment in London stock markets through the counter-attractions of new issues of fixed interest and equity stock inhibited trade yesterday. A massive application for Standard Telephones and Cables' offering of 40m shares at 525p per cent is reckoned to have tied up over £2bn for a few days. However, the equity market was still in a healthy technical position which enabled it to absorb sizeable liquidation.

One broking house placed six-figure amounts of GEC, Racal Electronics, Plessey, Glaxo, Beecham and I.C. Gas in the market without too much difficulty. This underlined the willingness of institutional investors to purchase top-quality stocks even at current peak levels. The business led to subdued conditions in the early trade but once completed, leading shares perked up after having been marked lower at the opening on the back of Wall Street's overnight reaction.

Small demand took the rally a stage further following the announcement of the first fall for over 12 years in the monthly Retail Price Index this showed the rate of inflation down to an annual 7.3 per cent against 8 per cent previously. Reflecting the initial uncertainty, the FT Industrial Ordinary Share Index dipped below 600 with a fall of 7.1 before reducing the loss in stages to close only a point down on balance at 603.9. This represents a gain of 11 points on the week and one of 24½ points over the fortnightly trading Account: the index recorded its all-time high of 606.1 last Monday.

Gilt-edged showed the effects of the strain on investment funds. Conventional stocks were again sold to pay for further purchases of index-linked issues, which continued Thursday's advance, albeit at a slower pace. Closing gains ranged to ½, after ¼, with the accent on Treasury 2 per cent 1988, finally ½ better at 98¾; official supplies of this stock and of Treasury 2½ per cent 2001 ran out on Thursday morning.

Elsewhere, early falls of ½ among longer-dated Gilts were eventually reduced to only ¼, but the shorts ended with losses extending to ½, after ¾. The FT Government Securities Index eased 0.10 to 83.00 after having 83.56 last Tuesday.

The latest bulldog issue, European Investment Bank 11 per cent 2002, made a satisfactory debut; the £30-paid stock opened at 29¾ and slipped to 29¼ before rallying steadily to close at 30¼, or ¼ premium.

Banks down again

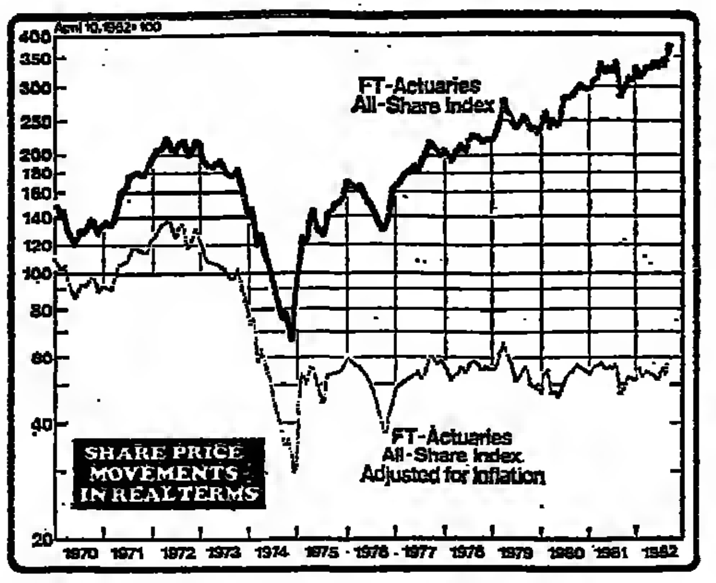
Still unsettled by adverse comment about the effects on banks' profit margins of the latest round of base lending rate cuts to their lowest levels for four years, the major clearers sustained fresh falls ranging to 8. Barclays and Lloyds both lost that amount to the common level of 370p, while NatWest cheapened 3 to 430p, after 428p. An outstanding Account for Discount Houses ended on rather a dull note with profit-taking leaving quotations easier throughout the list. Nevertheless, closing levels were well above the day's lowest; Union ended a net 15 cheaper at 610p, after 595p, while Cater Allen relinquished 20 to 415p, after 410. Gerrard and National touched 390p before closing 5 down on balance at 400p ahead of Tuesday's interim statement. Hire Purchases gained ground with London Scottish Finance and Wagon Finance closing 3 dearer at the common level of 48p.

A rising market of late on yield considerations, Composite Insurances eased yesterday on end-Account influences. Eagle Star, still unsettled by Allianz's declaration that it does not intend to take up its 28 per cent stake, dipped 6 to 307p. GRE also gave up 6, to 366p, and Royal softened a few pence to 442p.

Breweries ended the Account on a quiet note with the leaders drifting off a penny or two for want of attention. Grand Metropolitan, the subject of a broker's downgraded profits forecast, gave further ground to 288p before rallying smartly to finish a net penny in the good at 295p. Regionals continued to feature G. Ruddle which rose 4 for a gain on the week of 36 to 230p following an investment recommendation.

The Building sector, particularly firm of late on interest rate considerations, turned easier on end-Account influences. Barratt Developments gave up 4 to 406p, but retained a gain on the week of 18. Blue Circle softened 3 to 465p, as did Redland, to 211p, while Tarmac drifted off and closed 6 down at 402p. Elsewhere, Newarthill, a rising market recently on favourable Press comment, firmed 10 more for a gain on the week of 45 to 620p. On the other hand, John Mowlem shed 8 for a two-day fall of 16 to 214p on disappointment with the interim results, while Bryant Holdings, preliminary results due on Monday, gave up 3 to 130p. Among Timbers, Magnet and Southerns cheapened a couple of pence to 154p, while late offerings clipped 4 from Phoenix to 54p. Streeters of Godalming held at 22p, the poor interim results having been discounted.

After opening a shade easier on Wall Street influences, ICI met steady support on talk of a broker's favourable circular and closed 8 dearer on balance at 316p: the third-quarter figures are due on October 28.



Stores steady

Leading Stores attracted steady, if small, support throughout the session and closed with modest gains. Debenhams improved a couple of pence to 88p, as did House of Fraser, 174p, and British Home, 182p. Burton, on the other hand, shed 3 to 257p. Press reaction to the disappointing interim statement clipped 4 more from Empire, 78p, while Gratian, 80p, and Freemans, 88p, both eased 2 more. Profit-taking prompted weakness in recent high-flyer Harris Queensway which dipped to 268p before settling for a net fall of 4 to 272p. Cornell declined 11 to 175p, after 173p, for a similar reason, but Polly Peck attracted revived speculative support and advanced 20 more to 760p. Lee Cooper closed 8 to the good at 113p following the increased first-half profits.

Footwear issues were irregular. Pittard continued to respond to recovery prospects and firmed 2 more to 46p, but further consideration of the interim statement clipped that much from Ward White, 76p. Support was also lacking for Stead and Simpson A, 68p, and for Strong and Fisher, 30p, both down 3.

Decidedly dull at the outset as a leading broker sold large lines of stock in GEC, Plessey and Racal, Electricals perked up to close well above the day's lowest levels. Racal dropped to 558p before closing 6 cheaper on balance at 567p, while Plessey ended 5 down at 620p, after 616p, and GEC ½ lower at £12¼, after £12. Elsewhere, in the sector, end-Account profit-taking prompted a fall of 8 to 282p in Bowthorpe, one of 7 to 548p in Eurotherm. Ferranti eased 25 to 460p and Rediffusion gave up 5 to 282p. Reflecting second-half recovery hopes in the wake of the £0.97m loss reported at the interim stage, Forward Technology rallied 4 to 14p. Louis Newmark jumped 30 to 230p following demand in a thin market and Lec Refrigeration rose 10 to 255p.

Engineerings were notable for a late show of strength in TI which closed 8 to the good at 106p. GKN improved 4 to 129, but Hawker cheapened 2 to 322p; the latter's half-yearly results are scheduled for next Wednesday. Evered hardened a penny to 23p on the profits recovery, while William Cook of Sheffield revived with a gain of 3½ at 14p. Capper-Neill dropped 3 to 33p and Pegler-Hattersley 4 to 222p. Green's Economiser lost 5 more for a two-day relapse of 17 at 70p on the poor interim figures.

Among Foods, Glass Glover, still responding to favourable Press comment, put on 7 for a gain on the week of 41 to 193p. The leaders gave up part of their recent good gains on profit-taking, Associated British Foods losing 8 to 172p and Rowntree Mackintosh 4 to 214p. J. Sainsbury shed 6 to 422p and Associated Dairies 4 to 162p. On the takeover front, Fitch Lovell hardened a penny to 106p on the announcement that bidders Linfood had increased its stake in the company to 1.9 per cent: yesterday Fitch issued a further circular advising shareholders to reject the bid. Huntley and Palmer put on 3 to 102p awaiting the outcome of the Monopolies Commission's inquiry into Nabisco Brands' proposed bid for the company.

Brent Walker, the subject of a 46p per share cash offer from managing director George Walker's Locks Heath, shed 2 to 45p following the acquisition of two casinos in the North of England; the independent directors of the company, which advise acceptance of the Locks Heath bid, yesterday gave a further gloomy account of the company's prospects. Epicure gave up 2 to 27p following adverse Press comment.

Beecham sold

End-Account profit-taking clipped ½ from Glaxo which recorded a rise of £2 on the week at £10½ following the results and proposed 100 per cent scrip-issue. A large line of Beecham shares came on offer and the close was 15 lower at 350p, while Unilever and Reckitt and Colman fell 10 apiece to 735p and 372p respectively. Elsewhere in miscellaneous industrials, Whatman Reeve Angel gained 17 to 422p following demand in a thin market, while investment support lifted Ricardo 12 to 582p. Solicitors Law Stationery improved 3 more to 27p on hopes of a bid from Pergamon Press, which recently increased its stake in the company to more than 25 per cent. Fisons lost 3 to 435p and Peter Black cheapened 10 to 406p.

Certain television issues lost ground on worries about the potential competition from Cable TV which was given the go-ahead by the Hunt Committee's report on Tuesday. Anglia "A" shed 4 to 141p and HTV 3 to 144p, while TVS, a thin market, lost 6 to 39p.

Newspapers were mixed. Fleet eased a fraction to 28p, but retained a gain on the week of 4½ in the wake of the annual meeting. BPM, which announced disappointing full-year figures earlier in the week, attracted support and the "A" rose 4 to 7p. Elsewhere, Jefferson Smurfit were again wanted and firmed 3 to 53p, while British Printing improved a like amount to record a two-day gain of 6 at 41p. Stationery manufacturers Waverley Cameron, in a thin market, eased a few pence to 70p following the mid-term deficit.

Properties firmed again. Steady support was forthcoming for Land Securities, which firmed 5 to 281p, and MEPC, which put on the same amount to 181p. British Land improved 3 to 79p and Slough Estates 2 to 89p, while Great Portland Estates gained 4 to 134p. Buyers also came in for Peachey and Regional "A" which firmed 5 apiece to 125p and 160p respectively. Hammerson Property's interim results failed to match best estimates and the "A" shares, a shade firmer awaiting the figures, reverted to the overnight level of 560p.

Oils easier

The recent revival in Oils ran out of steam and quotations fluctuated narrowly before settling a few pence easier on balance. British Petroleum closed a couple of pence off at 318p and Shell 4 cheaper at 434p. Burmah encountered profit-taking and shed 5 to 140p, but IC Gas, down to 202p at one stage, rallied to close unchanged on balance at 207p. Elsewhere, New Court Natural Resources met revived speculative support and put on 4 to 33p.

Dealings in Greenbank Trust were suspended at 135p pending details of a property deal. Among Financials, money-brokers were again featured by Mercantile House which jumped 10 more to 510p, after 515p, with sentiment again buoyed by a favourable press mention.

Dealings in Vantona and Carrington Viyella were suspended shortly after the 9.30 start pending an announcement; Vantona, widely expected to launch a share-exchange offer for the latter, fell 7 to 99p, while Carrington rose 1½ to 10½p. Elsewhere in Textiles, S. Jerome fell 5 to 78p following the first-half deficit.

Golds easier

Although retaining sizeable gains on the week, South African Golds came under persistent pressure from profit-taking yesterday as the bullion price fell 17 to 434.5 an ounce.

The downturn in gold followed heavy selling in overnight U.S. markets which reacted to rumours of substantial selling of the metal by the Soviet Union.

The sharemarket came under pressure from the outset. An initial mark-down was followed by widespread selling from Johannesburg, London and the Continent. The market steadied around midday and thereafter moved narrowly before picking up in after-hours trading on renewed American support.

The Gold Mines index gave up 6.1 to 415.4 but retained a week's gain of 14.3.

The Anglo American Corporation gold mines in the Orange Free State, due to report dividends next Thursday along with the profits for the September quarter, were all lower but continued to attract buying interest. Losses of around ¼ were common to Free State Geduld, £23½, President Brand, £23¼, and President Steyn, £22½, while Welkom dipped 9 to 697p.

Platinums were again actively traded with Impala finally unaltered on balance at 322p—up 42 on the week—Rustenburg 6 cheaper at 272p and Lydenburg 2 off at 176p. Heavy demand for Platinums earlier in the week was thought to have reflected a buy recommendation by a leading U.S. broker.

In Financials, Anglo American Corporation continued to move erratically, and closed 8 lower at 747p; the shares recorded a year's peak of 758p on Wednesday. De Beers were finally unaltered at 322p despite a sizeable turnover in the shares.

London Financials mirrored the losses in precious and base-metal prices as well as the downturn in UK equities. Gold Fields relinquished 10 to 450p and Charter Consolidated 2 to 188p while RTZ closed unchanged at 452p.

Australians lacked a decided trend. Golds were easier with GMK 10 lower at 430p while the leading base-metal issues showed MIM 6 down at 186p and Bougainville 4 off at 91p.

Among the speculative stocks, Kitchener Mining lost 8 to 82p and Meekatharra Minerals 7 to 175p, the latter despite the favourable report on its coal project at Arckaringa.

The continued strength of the underlying share price, up 30 on the week, prompted another good Traded Options business in ICI which attracted 410 calls with 273 struck in the October 300's. Calls were also in demand with British Petroleum and Shell Transport recording 271 and 213 calls respectively. Business in puts also received a fillip with 936 deals struck, 156 in BP and 118 in GEC. Total contracts done yesterday amounted to 3,304 for a week's daily average of 2,889, the highest for some considerable time.

FINANCIAL TIMES STOCK INDICES

	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 8	A year ago
Government Secs.	83.00	83.10	83.57	83.66	83.68	83.66	61.12
Fixed Interest	84.30	84.32	83.97	83.64	84.02	81.81	62.70
Industrial Ord.	603.9	604.9	605.5	606.1	598.5	[illegible]	463.4
Gold Mines	415.4	421.5	399.2	403.8	401.5	401.1	391.1
Ord. Div. Yield	4.71	4.67	4.66	4.70	4.80	[illegible]	6.43
Earnings, Yld.% (full)	10.48	10.35	10.38	10.46	10.83	10.55	10.92
P/E Ratio (net) (*)	11.81	11.61	11.87	11.58	11.60	11.27	11.75
Total bargains	25,890	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m	—	236.49	203.98	287.68	183.07	301.17	78.01
Equity bargains	—	21,552	19,594	23,287	19,488	20,959	9,285
Shares traded (ml)	—	164.4	138.1	164.6	130.7	135.8	62.8

10 am 597.8, 11 am 597.8, Noon 599.8, 1 pm 602.0, 2 pm 602.0, 3 pm 602.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026. Nil=10.72.

HIGHS AND LOWS — S.E. ACTIVITY

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low		Oct. 14	Oct. 13
Govt. Secs.	83.56 (12/10)	61.66 (8/1)	127.4 (9/1/35)	49.18 (3/1/75)	—Daily Gilt Edged Bargains	259.5	351.7
Fixed Int.	84.30 (15/10)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	139.5	183.6
					Value	478.0	410.2
Ind. Ord.	606.1 (11/10)	518.1 (8/1)	606.1 (11/10/82)	49.4 (26/6/40)	—5-day Average Gilt Edged Bargains	319.8	310.3
Gold Mines	421.5 (14/10)	181.2 (8/6)	558.9 (22/9/80)	43.5 (26/10/71)	Equities Bargains	133.1	131.0
					Value	437.1	438.2

LEADERS AND LAGGARDS

Percentage changes since December 31, 1981, based on Thursday, October 14, 1982.

Health and Household Products	+86.60	Investment Trusts	+13.14
Tobacco	+69.42	Other Groups	+12.86
Brewers and Distillers	+54.44	Insurance (Composite)	+12.28
Food Retailing	+53.51	Newspapers, Publishing	+12.26
Electricals	+46.84	Textiles	+10.76
Consumer Group	+43.81	Packaging and Paper	+10.72
Stores	+43.17	Leisure	+4.85
Gold Mines Index	+39.07	Shipping and Transport	+2.77
Discount Houses	+36.62	Oils	+2.73
Insurance Brokers	+34.17	Financial Group	+1.69
Contracting, Construction	+32.96	Mechanical Engineering	+0.82
Industrial Group	+32.44	Other Industrial Materials	−0.82
Insurance (Life)	+29.25	Mining Finance	−4.24
500-Share Index	+27.12	Engineering Contractors	−7.04
Building Materials	+26.74	Merchant Banks	−7.09
Food Manufacturing	+25.63	Overseas Traders	−7.61
Capital Goods	+23.47	Banks	−8.36
Other Consumer	+21.38	Toys and Games	−9.14
All-Share Index	+20.81	Property	−11.34
Chemicals	+19.84	Metals and Metal Forming	−14.19
		Office Equipment	−14.81
		Motors	−21.57

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 11	Oct 22	Jan 13	Jan 24
Oct 25	Nov 5	Jan 27	Feb 7
Nov 8	Nov 19	Feb 17	Feb 28

For rate indications see end of Share Information Service.

Money was given for the call in Town and City Properties, Boots, Howard Machinery, Metroy, Lonrho, Premier Oil, Imperial Group, Fidelity Radio, GEC, GKN, Hawley, North Kalgurli, Turner and Newall, Meekatharra, BSG International, Fobel International, Vickers and First National Finance. No puts were reported. Double options were struck in Lasmo, New Throgmorton Warrants, First National Finance and Imperial Group.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	3	26	54	194	165	121
Corpns. Dom. & Foreign Bonds	8	15	56	142	27	216
Industrials	131	408	781	1,324	1,284	4,050
Financial & Props.	76	102	281	1,006	380	1,198
Oils	19	32	54	170	87	202
Plantations	1	2	15	22	16	77
Mines	16	69	62	216	204	318
Others	28	50	37	216	75	176
Totals	295	804	1,345	3,371	2,249	6,622

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (58)

[illegible]

NEW LOWS (46)

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS	Fri Oct 15 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs Oct 14 Index No.	Wed Oct 13 Index No.	Tues Oct 12 Index No.	Mon Oct 11 Index No.	Year ago (approx.) Index No.	1982 High	1982 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (209)	438.61	−1.0	8.86	3.87	14.09	443.87	445.19	445.87	447.56	309.42	447.56 (11/10)	351.34 (14/1)	447.56 (11/10/82)	50.71 (13/12/74)
2	Building Materials (24)	375.85	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (29)	702.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (32)	1826.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (10)	405.06	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (67)	193.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (11)	143.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (17)	72.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (17)	366.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (202)	382.99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (22)	419.51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (21)	321.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (14)	887.07	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (8)	657.47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (24)	435.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (13)	545.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (14)	146.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (46)	343.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (23)	172.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	463.79	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (14)	298.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (76)	278.45	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (15)	363.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (4)	97.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (13)	529.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (44)	371.02	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (487)	386.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (13)	798.23	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	417.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (117)	256.52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	257.08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (9)	297.47	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	326.34	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	173.51	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (7)	553.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (12)	144.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (49)	406.28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (15)	170.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (111)	338.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	224.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (18)	382.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	375.01	−0.8	—	5.33	—	377.98	377.48	376.54	375.25	282.12	377.98 (14/10)	306.22 (12/1)	377.98 (14/10/82)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Oct 15	Day's change %	Thurs Oct 14	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	120.42	−0.09	120.62	[illegible]	[illegible]
2	5-15 years	133.63	[illegible]	[illegible]	[illegible]	[illegible]
3	Over 15 years	142.92	[illegible]	[illegible]	[illegible]	[illegible]
4	Irredeemables	149.76	[illegible]	[illegible]	[illegible]	[illegible]
5	All stocks	132.30	[illegible]	[illegible]	[illegible]	[illegible]
6	Debentures & Loans	104.75	[illegible]	[illegible]	[illegible]	[illegible]
7	Preference	78.19	+0.27	77.98	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS

[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Finance	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

NAME CHANGE: Burtonwood Brewery (Forshaws) is now Forshaws Burtonwood Brewery (Group 22)

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

[illegible]

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

[illegible]

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

[illegible]

APPOINTMENTS

Mr David Canfield has been appointed chief executive, of INTERNATIONAL STORES. And following the restructuring of the International board, which will also be responsible for Mainstop superstores, Mr Takis Petridis is appointed development director. Joining the board are Mr Bob Muir, retail director, superstores; and Mr John Ridge, newly-joined from Key Markets, who is appointed retail director, stores.

★

Mr V. Eveleigh has been appointed managing director of MYSON RADIATORS (WALES). Mr B. Farrow has been appointed chairman.

★

Mr D. J. Quirk and Mr J. A. Iliffe have been appointed executive directors of PIONEER CONCRETE SERVICES. Mr Quirk is chief general manager—overseas operations based in London. He will be returning to Sydney in the same capacity at the end of the year. Mr Iliffe is general manager—finance, with overall responsibility for group financial activities.

★

Mr Anthony J. Stranger-Jones, a director of BARCLAYS MERCHANT BANK, has been appointed head of international bonds.

★

Mr I. D. Sellers and Mr M. J. W. Sellars have been appointed joint managing directors of the SELLERS GROUP in succession to Mr N. S. Sellers who remains executive chairman.

★

Mr J. S. E. Fordyce, has retired as a partner of MONTAGU, LOEBL, STANLEY & CO, stockbrokers, effective November 12, but remains an associated member with the firm.

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Abbey Life Assurance Co. Ltd. (z)
1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

Property Fund	226.6	[illegible]	[illegible]	—
Equity Fund	58.6	62.7	[illegible]	—
Property Acc.	265.3	[illegible]	[illegible]	—
Equity Acc.	58.1	[illegible]	[illegible]	—
Selective Fund	162.4	[illegible]	[illegible]	—
Money Fund	170.7	[illegible]	[illegible]	—
Convertible Fund	183.0	[illegible]	[illegible]	—
Prop. Fd. Ser. 4	209.8	[illegible]	[illegible]	—
Equity Ser. 4	94.7	[illegible]	[illegible]	—
Man. Ser. 4	221.8	233.5	[illegible]	—
Money Ser. 4	154.6	[illegible]	[illegible]	—
Conv. Ser. 4	154.8	[illegible]	[illegible]	—
Fixed Int. Fd. Ser. 4	140.5	[illegible]	[illegible]	—
American Ser. 4	138.6	[illegible]	[illegible]	—
High Inc. Ser. 4	122.9	[illegible]	[illegible]	—
Indexed Inv. Series 4	103.0	[illegible]	[illegible]	—
Pensions Property	318.3	[illegible]	[illegible]	—
Pensions Equity	333.3	[illegible]	[illegible]	—
Pensions Selective	164.7	[illegible]	[illegible]	—
Pensions Managed	330.9	[illegible]	[illegible]	—
Pensions American	104.9	[illegible]	[illegible]	—
Pensions Security	239.5	[illegible]	[illegible]	—
Pensions Fixed Int.	137.5	[illegible]	[illegible]	—
Pensions Indexed Inv	103.5	[illegible]	[illegible]	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	348.9	367.2	+1.6	—
Fixed Int. Acc.	228.7	240.8	-0.8	—
Gtd. Money Fd. Ac.	158.8	168.2		—
Intl. Man. Fd. Acm.	155.7	163.9	+1.3	—
Intl. Fxd. Int. Fd.	121.1	127.5	-0.3	—
Prop. Fd. Acc.	160.7	169.1	+0.1	—
M'ple Inv. Acc.	277.5	292.1	+1.0	—
Equity Pen. Fd. Acc.	489.5	515.2	+2.7	—
Fixed I. Pen. Acc.	392.8	413.4	-1.3	—
G'td. Mon. Pen. Acc.	224.6	236.4		—
Int. Mn. Pn. Fd. Acc.	183.3	192.9	+1.9	—
Prop. Pen. Acc.	213.4	224.6	+0.1	—
M'ple Inv. Pen. Acc.	415.0	436.8	+1.8	—

Crown Life—Continued

Pens. Equity Acc.	109.8	115.5	+3.2	—
Pens. Equity Init.	104.5	109.6	+3.1	—
Pens. Fxd. Int. Acc.	129.0	135.7	+3.9	—
Pens. Fxd. Int. Init.	123.1	129.5	+3.8	—
Pens. Money Acc.	112.9	118.8	+0.3	—
Pens. Money Init.	107.5	113.1	+0.3	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ. 488 2323

Growth Prop. Oct 5	104.9	115.7	—	—
Mngd Pens. Sept 7	124.08	130.61	—	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	92.5	95.9	-1.2	5.32

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	213.8	225.0	—	—
Higher Inc. Fund	141.1	148.5	—	—
Property Fund	195.5	205.7	—	—
Fixed Interest Fund	172.9	182.0	—	—
Index Linked Secs Fd.	98.8	104.0	—	—
Gtd. Deposit Fund	138.2	145.4	—	—
Nth. America Fund	131.3	138.2	—	—
Far East Fund	85.9	90.4	—	—
International Fund	111.9	117.7	—	—
Mixed Fund	191.8	201.9	—	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	206.8	217.4	—	—
Ind. Pen. Property	148.0	155.7	—	—
Ind. Pen. Fixed Int.	157.4	165.6	—	—
Ind. Pen. Indx-Lk. Sec.	105.7	110.6	—	—
Ind. Pen. Overseas	156.3	164.7	—	—
Ind. Pen. Cash	139.3	146.6	—	—
Ind. Pen. Balanced	167.5	176.4	—	—
Ind. Pen. Dep. Admin.	139.8	147.1	—	—

Prices at Sept 9. Next valuation Oct 14.
Group Pension Funds—Prices Available On Request.

Family Assurance Society
68, East Street, Horsham. 0403 50255

Family A. Managed	182.2	185.9	—	—
Family B. Managed	98.7	100.7	—	—
Family C. Brit.	77.0	78.6	—	—

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100	94⅜	Exch. 8¼pc 1983	99½	......	8.77	9.26
98¼	91	Exch. 3pc 1983	98¼	+⅛	3.06	8.14
101¾	95¾	Treasury 12pc 1983‡‡	101¼	......	11.86	8.88
100¼	92⅞	Treasury 9¼pc '83	100⅛	......	9.24	9.00
104¼	96⅞	Exch. 13½pc '83	104⅛	......	12.97	9.36
101	91⅞	Exch. 10pc 1983	101	......	9.90	9.01
97¾	87⅞	Funding 5½pc '82-84‡‡	97¾	......	5.63	7.39
103⅜	91⅞	Exch. 11¼pc 1984	103	......	10.95	8.76
107⅛	96⅜	Exchequer 14pc 1984	106	−⅛	13.20	9.80
93⅜	81⅛	Exch. 3pc 1984	93¾	......	3.20	7.02
104½	91½	Treasury 12pc 1984	104⅛	......	11.53	9.68
110½	96¼	Treasury 15pc 1985	110	−¼	13.64	10.05
111¼	89½	Exch. 12pc Cnv. '85	110¼	−½	10.89	7.32
90	73½	Treasury 3pc 1985	89⅞xd	+⅛	3.34	7.38
104½	87½	Treasury 11¼pc 1985	103	−1	11.13	9.98
106⅛	88⅝	Exch. 12¼pc 1985	105¼	−½	11.64	10.20
104⅞	86⅛	Exch. 11¾pc '86	104	−½	11.30	10.27
87¼	69	Treasury 3pc 1986	87¼xd	+⅛	3.44	7.10
105⅞	86¼	Treasury 12pc '86	105¼	−½	11.41	10.22
98	80⅞	Treasury 8¼pc '84-86‡‡	98	......	8.67	9.13
116¼	96½	Treas. 12¼pc '86 Cnv.	115¼	−½	10.65	7.50
112¾	91⅞	Exch. 14pc 1986	112xd	−⅜	12.50	10.29
110½	90	Exch. 13¼pc 1987	110	−¼	12.05	10.25
102½	98¼	Exch. 10½pc 1987	101⅞	−⅜	10.31	9.96
93¾	73⅞	Funding 6½pc '85-87‡‡	93¼xd	......	6.97	8.39
84¼	64½	Treasury 5pc 1987	84	......	3.58	7.02
		Five to Fifteen Years				
107⅞	85⅞	Treas. 12pc 1987	105⅞xd	......	11.34	10.47
97	72½	Treasury 7¾pc '85-88‡‡	96	......	8.23	9.14
24⅜	19⅝	Exch 10½pc '88 (£30 pd)	23¾	−¼	10.49	10.46
79¾	60⅛	Transport 3pc '78-88	79	−¼	3.85	7.83
20⅞	20¼	Treas. 9½pc '88 (£20pd.)	20⅛	−¼	9.85	10.30
104⅞	79⅞	Treasury 11½pc 1989	103⅞	−⅛	11.27	11.01
82½	62½	Treasury 5pc '86-89	82⅛	+⅛	6.10	0.45
114⅞	85⅞	Treasury 13pc 1990‡‡	113⅞	−⅛	11.77	10.85
109⅞	85⅝	Exch. 12½pc 1990	108⅞	−⅛	11.58	10.91
96¼	70⅛	Treasury 8¼pc '87-90‡‡	95⅜	......	8.92	9.64
108⅝	77⅞	Treasury 11¾pc 1991	107⅞	−⅛	11.26	10.90
81½	59¾	Funding 5¾pc '87-91‡‡	82	......	7.12	9.05
102¾	76⅛	Exch. 11pc 1991	101¾xd	......	10.79	10.66
115	81⅞	Treasury 12¾pc '92‡‡	114	......	11.49	10.83
100	70	Treasury 10pc 1992	99	......	10.27	10.42
110⅞	80⅞	Exch. 12¼pc '92	109⅞	......	11.34	10.88
117⅛	88⅝	Exchequer 13½pc '92	116¼xd	−⅛	11.73	10.95
114½	80⅞	Treasury 12½pc '93‡‡	113¾	......	11.32	10.82
78	56¼	Funding 6pc 1993‡‡	77½	......	7.90	9.42
124⅞	88	Treasury 13¾pc 1993‡‡	124	......	11.61	10.84
126⅝	91⅝	Treasury 14½pc '94‡‡	125½	......	11.73	10.83
117⅛	86¾	Exchequer 13½pc 1994	116¼xd	−¼	11.58	10.94
113⅜	80⅝	Exch. 12½pc 1994	112⅝	......	11.30	10.87
93¾	66¼	Treasury 9pc '94‡‡	93xd	+⅛	9.63	9.91
111¾	76½	Treasury 12pc '95	111	......	11.09	10.76
60	42⅞	Gas 3pc '90/95	60xd	+½	4.99	8.14
101½	68½	Exch. 10¼pc 1995	100¼	......	10.43	10.49
115¾	83¾	Treasury 12¾pc '95‡‡	113⅝xd	......	11.13	10.66
125¾	86¼	Treas. 14pc '96	125	......	11.51	10.86
94⅜	66⅝	Treasury 9pc '92/96‡‡	93⅞	......	9.68	9.95
130⅞	96	Treasury 15¼pc '96‡‡	130¼xd	......	11.65	10.85
120	86	Exchequer 13¼pc '96‡‡	118xd	......	11.13	10.59
57	43⅝	Redemption 3pc 1986-96	56¾	......	5.30	0.31
122⅞	83½	Treasury 13¼pc '97‡‡	122⅛	......	11.15	10.62
103⅝	69⅝	Exchequer 10½pc 1997	102⅞	......	10.38	10.32
92⅝	64	Treasury 8¾pc 1997‡‡	91⅝	......	9.67	9.98
		Over Fifteen Years				
131	94¼	Exch. 15pc 1997	130½xd	−¼	11.50	10.85
77¼	54½	Treasury 6¾pc '95-98‡‡	76½xd	......	0.79	9.68
136¼	99½	Treas. 15½pc '98‡‡	135½	......	11.50	10.07
116⅝	78¼	Exch. 12pc 1998	110⅝xd	−⅛	10.77	10.52
98⅜	66	Treasury 9½pc 1999‡‡	98⅛	+⅛	9.94	10.04
114¼	81¼	Exch. 12¼pc 1999	113⅞	−⅛	10.83	10.55
107	71⅛	Treasury 10½pc 1999	101½xd	......	10.25	10.21
123	82¼	Treas. 13pc 2000	122⅛	−¼	10.96	10.63
131	89	Treas. 14pc '93-01	130⅛	−⅛	11.26	10.73
115½	76½	Exch. 12pc '99-02	114⅝	......	10.74	10.47
127¼	85⅞	Treas. 13¾pc 2000-03	127⅛	......	11.10	10.70
112⅛	76¼	Treasury 11½pc '01-04	111⅞	......	10.41	10.23
48½	33¼	Funding 3½pc '99-04	48¼	......	7.40	9.10
123⅜	81⅝	Treasury 12½pc '03-05	116¾xd	−⅛	10.60	10.40
85	59⅞	Treasury 8pc '02-06‡‡	84¼	......	9.53	9.74
115⅞	75⅞	Treasury 11¾pc 03-07	114⅝	−⅛	10.51	10.34
126¾	90	Treas. 13½pc '04-08	126⅛	......	10.77	10.51
62	44¼	Treasury 5½pc '08-12‡‡	61¼	......	9.06	9.47
83½	55⅝	Treasury 7¾pc '12-15‡‡	82¾	......	9.58	9.68
122¼	81⅛	Exch. 12pc '13-'17	122½	......	10.23	10.15
		Undated				
40	27⅞	Consols 4pc	39⅞	......	10.25	—
36⅝	26⅜	War Loan 3½pc‡‡	36½	−⅛	9.95	—
38	31½	Conv. 3½pc '61 Aft.	38	......	9.25	—
30	21	Treasury 3pc 66 Aft.	29	......	10.38	—
24⅝	17¾	Consols 2½pc	24½	......	10.24	—
24⅜	17⅝	Treasury 2½pc	24⅜	+⅛	10.31	—
		Index-Linked & Variable Rate				
100⅛	99⅞	Treas. Variable '83	100⅛	......	9.99	9.96
98¾	95	Do. 2pc I.L. '88	98¾xd	+⅛	2.20	2.75
106	93	Do. 2pc I.L. '96	105	......	2.29	2.68
97¼	93½	Do. 2½pc I.L. 2001	97¼	+¼	2.57	2.62
101½	86⅞	Do. 2pc I.L. 2006	100¾	+¼	2.32	2.55
104	90	Do. 2½pc I.L. 2011	103	+¼	2.66	2.55

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

High	Low	Stock	Price £	+ or −	Int.	Red.
108	92¾	Finland 14½pc Ln 1986	107¾	−¼	13.46	11.76
109	90¾	Int. Bank 13½pc 1986	108xd	−½	12.50	10.74
111	97	Do. 14pcLn 1987	110	−½	12.73	11.08
101¼	85	Mex 16½pc 2008	87½	......	18.86	19.31
107¼	90¼	Sweden 13½pc 1986	107	−⅛	12.62	10.96

CORPORATION LOANS

High	Low	Stock	Price £	+ or −	Int.	Red.
101¾	85	Bath 11¼pc 1985	101¼	−¼	11.11	10.75
104	89¾	Bir'm'ham 12½pc 1985	103½	−½	12.08	10.88
107¼	87	Burnley 13pc 1987	107	−¼	12.16	11.01
101¼	81⅛	Cardiff 11pc 1986	100½	−¼	10.84	10.53
103¾	94⅝	G.L.C. 13¼pc 1984	103½	−⅛	12.80	10.32
78	53¾	Do. 6¾pc 90-92	78	......	8.75	10.68
100	94¾	Glasgow 9¼pc '80-82	99⅞	......	9.26	11.13
87	67½	Herts 6¾pc 1985-87	87xd	......	7.75	10.27
114	85	Leeds 13½pc 2006	114xd	......	11.87	11.76
99½	87½	Liverpool 9¾pc '80-84	99½	......	9.81	10.04
30¼	21½	D. 3½pc Irred.	30¼xd	......	11.73	—
104⅝	95½	Lon. Corp. 13¼pc '83	103⅝	+¼	12.78	9.59
98¼	82¼	Do. 9¼pc '84-85	98	......	9.44	10.01
93	78¾	LCC 5½pc '82-84	93	+⅛	3.91	9.89
83	64¼	Do. 5½pc '85-87	83	......	6.63	10.20
85	56	Do 6¾pc '88-90	85	+⅛	8.08	9.75
26½	19½	Do. 3pc '20 Aft.	26½	+½	11.90	—
103¾	90¼	Sunderland 12¾pc 1984	103¼	−⅛	11.84	10.29

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or −	Int.	Red.
98⅞	85¾	Aust. 6pc 1981-83	98⅞	+⅛	6.26	9.34
37	21¼	Do. 13½pc 2010	36¼	−½	11.75	11.56
80½	57	N.Z. 7¼pc 1988-92	80½xd	......	9.19	10.84
93	74¾	Do. 7½pc '83-86	93xd	......	0.28	10.64
111¼	98½	Do. 14¼pc 1987	110¼	−⅛	12.50	10.45
165	136	S. Rhod. 2½pc Non-Ass.	163	−2	—	—
77	58	Do. 3½pc 80-85 Assd.	73	......	4.82	15.60
53	32	Do. 4½pc 87-92 Assd.	53	+½	8.65	13.70
402	318	Zimbabwe Ann (£100pd)	379xd	−1	—	15.90

LOANS

Public Board and Ind.

High	Low	Stock	Price £	+ or −	Int.	Red.
74	57¾	Agric. Mt. 5pc '59-89	74	......	6.87	10.82
37	24¾	Met. Wtr. 3pc 'B'	36¼xd	−¼	8.08	10.55

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
200	73	Falcon Rh.50c	192	.....	Q25c	10.3	6.5
33	19	Wankie Col. Z$1	19½d	.....	t05c	1.2	7.9
21	12	Zam.Cpr.SBD0.24	14	.....	—	—	—

Australians

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
23	10	ACM 20c	14	.....	—	—	—
7	1½	Argosy Gold NL 25c	4	.....	—	—	—
151	54	Bond Corp	63	+3	cQ10c	2.3	8.9
95	58	Bougainville Kina1	91	−4	[illegible]	1.2	‡
222	147	CRA 50c	208	.....	[illegible]	—	‡
22	10	Carr Boyd 20c	20	−1	—	—	—
56	22	Central Pacific	34½	−½	—	—	—
380	152	Crusader Oil	340	.....	—	—	—
26	9½	Cultus Pacific N.L.	9½	.....	—	—	—
27	14	Eagle Corp. 10c	15½	.....	—	—	—
23	8½	Endeavour 20c	12	+½	—	—	—
430	150	G. M. Kalgoorlie 25c	420	−10	Q10c	ϕ	1.4
192	134	Hampton Areas 10p	180	+4	3.0	2.5	2.4
32	10	Haoma N.W.	16	−1	—	—	—
22	9	Intl. Mining	20	.....	—	—	—
9½	2	Kalbara Mm 20c	8	.....	—	—	—
100	30	Kitchener NL 25c	82	−8	—	—	—
190	92	Meekatharra 25c	115	−7	—	—	—
44	15	Metals Ex. 50c	20	−1	Q3c	ϕ	8.5
28	9	Metramar Mins. 20cts.	17	.....	—	—	—
10	3	Mid East Mins. NL	4	.....	—	—	—
207	143	M.I.M. Hldgs. 50c	196	−6	Q5c	—	1.5
57	5	Mincorp 20c	9	.....	—	—	—
8	3	Minefields Expl. 25c	3½	.....	—	—	—
23	14	Newmetal 20c	23	.....	—	—	—
30	8½	Nickelore N.L.	22	.....	—	—	—
160	92	North B. Hill 50c	129	−5	Q6c	—	2.7
84	10	Nth. Kalgurli	32	−½	—	—	—
123	67	Oakbridge 50c	91	−2	tQ6½c	1.9	4.1
90	30	Otimin N. L.	52	.....	—	—	—
98	34	Pacific Copper	42	−2	—	—	—
150	68	Pancont'l 25c	90	−2	—	—	—
352	211	Peko-Wallsend 50c	285	−5	Q1.5c	—	0.3
31½	6	Pelsart Res NL	6	.....	—	—	—
273	112	Renison 50c	156	.....	Q5c	—	1.8
205	105	Do. Dfd.	130	.....	—	—	—
56	30	Selcast A	48	−2	—	—	—
27	9	Southern Pacific	13½	−½	—	—	—
46	24	Swan Resources 20c	26	+1	—	—	—
11	2½	West Coast 25c	7	.....	—	—	—
50	6	Westn. Cont. 50c	12	.....	—	—	—
247	150	Westn. Mining 50c	192xd	−3	Q2.5c	ϕ	0.7
39	11	Whim Creek 20c	33	−1	—	—	—
30	8	York Resources	8	−1	—	—	—

Tins

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
255	135	Ayer Hitam $M1	155	.....	‡Q135c	0.7	‡
140	55	Geevor	78	+3	—	—	—
12	9½	Gold & Base 12½p	11	.....	—	—	—
630	250	Gopeng Cons.	299	.....	17.0	1.2	8.4
670	330	Hongkong	550	.....	21.0	ϕ	3.5
24	13	Jantar 12½p	15	.....	1.5	2.5	14.3
130	42	Kamunting $M0.50	67	.....	[illegible]	0.8	9.8
426	350	Killinghall $M1	350	.....	[illegible]	ϕ	4.1
98	43	Malaysia Mng. 10c	50	.....	vQ17.1c	1.6	8.2
42	20	Pahang	25	.....	[illegible]	0.8	‡
450	280	Pengkalen 10p	330	.....	1.0	—	0.4
330	190	Petaling $M1	200	.....	‡vQ60c	ϕ	‡
69	68	South Crofty 10p	69	.....	—	—	—
200	130	Sungei Besi $M1	145	.....	vQ155c	0.6	30.4
55	25	Supreme Corp. $M1	40	.....	[illegible]	ϕ	2.3
110	97	Tanjong 15p	99	.....	63.5	ϕ	5.1
85	43	Tongkah H. Tin $M1	45	.....	[illegible]	1.3	‡
255	125	Tronoh $M1	170xd	+5	tv250c	[illegible]	7.0

Miscellaneous

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	20	Anglo-Dominion	35	.....	—	—	—
16½	12	Burma Mines 10p	12	−½	0.55	1.0	6.5
150	27	Colby Res. Corp.	110	.....	—	—	—
292	170	Cons. Murch. 10c	230	−10	‡Q60c	1.9	‡
8	1½	‡‡Explaura Gold	2½	.....	—	—	—
105	55	Highwood Res.	74	−1	—	—	—
255	160	Northgate C$1	225	+3	—	—	—
468	344	R.T.Z.	452	.....	16.0	1.6	5.1
£108½	£84	Do.9½%Cnv.Ln.95-2000	£109	+½	Q9½%	23.9	f9.0
20	11	Sabina Inds. C$1	16	.....	—	—	—
44	27	‡Southwest C. 10p	33	.....	—	—	—
500	270	Tara Exptn. $1	315	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ϕ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- ϕ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

[illegible]

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv. 20p	43	.....
Bertrams	17#	.....
Bdg'wtr. Est. 50p	465	.....
Craig & Rose £1	£12½	.....
Finlay Pkg. 5p	31	+1
Graig Ship. £1	£22	−1
Higsons Brew	97	−3
Holt (Jos) 25p	790	.....
I.O.M. Stm. £1	80	.....
Pearce (C. H.)	£12	−⅛
Peel Hldgs.	157	.....
Sheff. Refrshmt	138	+1
Sindall (Wm.)	270	.....

IRISH

Stock	Price	+ or −
Exch. 13pc 1983	£101	.....
Nat. 9¾% 84/89	£84½	.....
Fin. 13% 97/02	£90¾	−½
Alliance Gas	110	.....
Arnott	210	.....
Carroll (P.J.)	80	+2
Concrete Prods.	61	.....
Helton (Hldgs.)	16	.....
Ins. Corpn. Ireland	410	.....
Irish Ropes	33	.....
Jacob	72	.....
T.M.G.	4	.....
Unidare	45	.....

OPTIONS

3-month Call Rates

Industrials				Industrials (cont.)	
Allied-Lyons	8	House of Fraser	15	Utd. Drapery	7
BOC Grp.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	8	Woolworths	5
Babcock	10	I.C.L.	5½	**Property**	
Barclays Bank	42	Ladbroke	15	Brit. Land	7½
Beecham	21	Legal & Gen.	19	Cap. Counties	10
Blue Circle	48	Lex Service	10	Land Secs.	28
Boots	19	Lloyds Bank	42	MEPC	20
Bowaters	24	"Lots"	6½	Peachey	14
Brit. Aerospace	17	London Brick	7	Samuel Props.	11
B.A.T.	38	Lucas Inds.	20	Town & City	3½
Brown (J.)	7	"Mams"	12	**Oils**	
Burton Ord.	15	Mrks. & Spncr.	12	Brit. Petroleum	26
Cadburys	9	Midland Bank	30	Burmah Oil	10
Courtaulds	8	N.E.I.	9	Charterhall	6
Debenhams	7	Nat. West. Bank	38	KCA	14
Distillers	15	P & O Dfd.	14	Premier	6
Dunlop	6½	Plessey	32	Shell	30
Eagle Star	31	Racal Elect.	35	Tricentrol	22
F.N.F.C.	4	R.H.M.	6½	Ultramar	38
Gen. Accident	28	Rank Org. Ord.	20	**Mines**	
Gen. Electric	65	Reed Intnl.	26	Charter Cons.	25
Glaxo	42	Sears	6	Cons. Gold	45
Grand Met.	17	T.I.	13	Lonrho	7
G.U.S. 'A'	45	Tesco	5½	Rio T. Zinc	42
Guardian	25	Thorn EMI	42		
G.K.N.	15	Trust Houses	13		
Hawker Sidd	30	Turner & Newall	11		
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Saturday October 16 1982

MAN IN THE NEWS

Midwife of the cable age

BY ARTHUR SANDLES

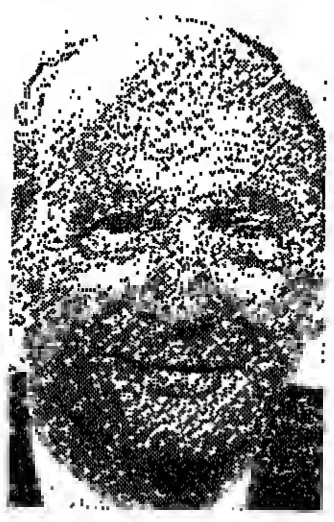
BY A remarkable coincidence of publication dates, the very evening that Lord Hunt's report on the future of cable television made its, slightly delayed, arrival on the desks of Fleet Street so the whole establishment of commercial television was gathering in the shadow of St Paul's Cathedral at Stationers' Hall.

The occasion was a party to celebrate the publication of the first volume of a history of ITV in Britain, written by Mr Bernard Sendall. Given that Lord Thomson of Monifieth, chairman of the IBA, was in blistering mood about news of the coming cable age, and seemed to regard the party as almost a wake for ITV, it is perhaps as well that Lord Hunt was not present.

In fact, however, Hunt, former Cabinet Secretary and now looking every inch the urbane chairman of a bank (the London subsidiary of the Banque Nationale de Paris) that he is, would probably have survived the occasion with amiability and charm. He is the sort of fellow against whom even the most aggressive of traffic wardens would not exhaust their venom. But then he is also the sort of person who looks as if he would never, never, park on a double yellow line.

Lord Thomson regarded the amount of time given to Lord Hunt and his team for the cable project as "disgraceful" (he prefaced his abuse of the report with high personal praise for its author).

Oddly enough the report seems to have provoked more fuss in its preparation than in its presentation, despite the IBA's ill humour. "Curiously enough the publicity made things easier," says Hunt. "One of the things that worried us



Lord Hunt

was that the established people would rush in but that we would not get enough other views. In that sense the publicity helped. The more the debate was stirred, the better."

The last time Lord Hunt really hit the headlines was when he moved to the City after his statutory year of retirement from his Cabinet position. Apart from his bank role he is deputy chairman of the Pru and on the boards of IBM and Unilever. Has there ever been a point where old loyalties clash with new? "No, never. Not one single time."

But how has the transfer gone? "I think from my personal point of view it has gone well. I have found the switch of culture and environment a lot easier and more agreeable than I expected. The differences are very interesting. First, there is a relative absence of paper. Then, in the private sector, it is much easier to take a decision. You are not accountable to Parliament, you are not trying to reconcile things that are not reconcilable, which you are always doing in Whitehall.

"There you are either trying to reconcile what is desirable with what is politically possible, or reconciling such things as different spending on defence or health."

What he misses is what he refers to as the Whitehall "nanny service" which can brief anybody on anything. "All the material is there."

Without Whitehall's nannies the Hunt committee had to do all its own research, and he swears that all three members read every word of evidence, and gave up summer holiday plans to do it. He admits to being initially impressed by slick TV company presentations, "but you soon learn."

His favourite phrase is to compare his cable task with "squaring the circle," perhaps achieving that former role of reconciling the irreconcilable. "I think we did it," he says now. He also hopes he has started the argument for real. "We tried to put the thing over in a way which will encourage debate."

"Debate" is a somewhat gentle word for what was being said at Stationer's Hall on Tuesday.

ALL THREE RAIL UNIONS GIVE McCARTHY OUTLINE ACCEPTANCE

BR secures accord on 6%

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL has secured outline acceptance of the 6 per cent pay and productivity award recommended by Lord McCarthy from all three rail unions. The Associated Society of Locomotive Engineers and Firemen, often difficult, signalled its willingness yesterday to come into line.

Detailed talks on implementation of the McCarthy recommendations, which include moves toward single-driver manning, trains without guards, and flexible rostering, which is already agreed, are likely to begin next week.

Following the pivotal acceptance of McCarthy earlier this week by the special delegate conference of the biggest rail union, the National Union of Railwaymen, the executive of Aslef has decided that the proposals provide a basis for negotiation.

Leaders of the white-collar Transport Salaried Staffs Association have indicated similar outline acceptance.

BR officials regard the Aslef resolution as effectively an acceptance of McCarthy. They believe that the difficult issue of this year's pay settlement, over which both NU Rand Aslef went on strike, is broadly settled.

Pay negotiations will not be made easier for BR next year by the likely timetable for election of an NUR general secretary after Mr Sid Weighell's resignation.

NUR officials yesterday were drawing details after the union executive agreed to call for nominations.

A 13-week nomination period is required under rule. From the call for nominations in Mr Weighell's election to announcement of the results took 26 weeks. So the early part of next year's pay negotiations will probably be without an NUR general secretary, and with the union gripped by internal campaigning.

Mr Weighell is on holiday for about a fortnight. It is not thought that he will return to the NUR headquarters in London. Mr Russell Tuck, senior assistant general secretary, is expected to take charge until Mr Weighell's successor is elected.

The NUR executive drew back yesterday from formally pledging the union's support for the transport workers' solidarity day on November 8, called by the TUC in support of the health workers.

The union faces two main difficulties over the issue. Because of the railways' 24 hour-day shift system, a 24-hour stoppage is effectively extended to 36 hours.

Secondly, none of the three rail unions seems keen on a definite move in the strike before the others. Accordingly, leaders seem likely to meet shortly before any announcement is made.

The NUR executive decided to refer the issue to its Negotiations Sub-Committee, which is expected to meet next week to consider the issue in detail.

Transport and General Workers' Union leaders are still urging "maximum support" from transport workers for the day of action.

U.S. ruling threatens to impose heavy duties on imported steel

BY GILES MERRITT IN BRUSSELS AND PAUL CHEESERIGHT IN LONDON

THE U.S. International Trade Commission yesterday ruled that carbon steel imports from the UK, France, Italy, Luxembourg and West Germany have been injuring the U.S. steel industry.

This makes the imposition of countervailing duties of up to 26 per cent in the case of British Steel products automatic, unless a sales restraint agreement acceptable to the U.S. industry can be worked out by Thursday.

EEC steelmakers meet the European Commission in Brussels today to discuss the terms of such an agreement. The talks will have a direct bearing on whether the West German Government withdraws objections to export cutbacks, including pipes and tubes, lasting until 1985.

The Brussels discussions will centre on proposals for distributing the export cutbacks fairly among the EEC steel companies. Bonn officials have warned that a U.S.-EEC agreement must be acceptable to West German industry.

EEC foreign ministers are expected to discuss the steel issue informally at their meeting this weekend on the Danish island of Fyn, when the Germans are expected to come under pressure to be more conciliatory. The Danish Government, currently president of the EEC Council, has set next Monday as the time when the EEC's next action will be decided. A special council meeting is expected to be convened.

The UK Government yesterday made it clear that it would do everything it could to bring about an agreement between the EEC and the U.S., but it attacked the International Trade Commission's ruling. The problems of the U.S. steel industry had a lot to do with recession and little to do with imports, the Department of Trade said.

The commission made 16 decisions, 14 in favour of penalty duties to offset what are seen in the U.S. as official subsidies for EEC steelmakers.

In the other two cases it found that hot-rolled carbon steel plate and cold-rolled carbon steel sheet and strip from West Germany were not harming U.S. industry.

The commission will formally deliver its ruling to the Commerce Department next Thursday, when the department will be legally obliged to turn a preliminary imposition of duties into a final imposition, which cannot be reviewed for a year.

Only the withdrawal of the U.S. industry complaints, leading to the imposition of duties, could avert this.

The European Commission yesterday confirmed that, in an effort to work out a restraint agreement acceptable to the U.S. industry, it had agreed with the U.S. Government that pipe and tube exports should be held to 5.9 per cent of apparent U.S. consumption.

But West German objections to this plan, which come on top of the offer of an 8 per cent reduction in shipments of 11 steel product categories, have still to be overcome.

Reagan offers grain boost to Moscow, Page 2

Carrington and Vantona suspend shares

By Anthony Moreton

SHARES in Carrington Viyella and Vantona were suspended at the request of both companies 11 minutes after the Stock Exchange opened yesterday.

Within that time Carrington Viyella had put on 1½p to 10½p and Vantona had dropped 7p to 99p after a report in the Financial Times that a "marriage" had been arranged between the two companies.

ICI, which has a 49 per cent holding in Carrington Viyella and whose co-operation in the merger is crucial, closed at 316p last night, a rise of 8p on the day and again of 30p over the week.

Full details on the merger between the two companies will be announced on Monday. The deal will result in a company with a turnover of some £360m a year and firmly establish its position as the country's fourth-largest textiles-and-garments producer behind Courtaulds, Coats Patons and Tootal.

The merger also will bring together some of Britain's most famous garment names. Vantona produces towels and other household linens under the Horrockses label and women's foundation garments and swimwear under the Spirella name.

Carrington Viyella has a wide range of household names, including Dorma linens, Viyella, Peter England, Van Heusen and Rocola shirts, Driway and Dhobi coats and Donaghadee carpets.

The financial arrangements concerning the two companies are believed to be intricate but if they are based on a Vantona price of about 110p this should value Carrington Viyella shares at around 9p.

Big Sicily oil find confirmed

BY JAMES BUXTON IN ROME

AN ITALIAN-LED consortium has proved an oil field of "considerable size" off the south coast of Sicily.

The announcement was made yesterday by the chemical company Montedison, the consortium operator.

Tests of the well, Vega Three, produced more than 10,000 barrels-a-day of thick and heavy crude with a specific gravity of 15.5 degrees API (American Petroleum Institute) and a 2.5 per cent sulphur content.

Vega Three is about 2½ miles from the discovery well drilled in the structure, Vega One, which yielded 3,500 b/d of 16 degrees API crude in March, 1981. The distance itself suggests that the field is quite large, especially by the standard of Mediterranean discoveries, but no estimate of reserves has been given.

A further important point is that the oil flowed spontaneously, in spite of its thickness. This should mean the oil should prove relatively easy to recover. It is at a depth of about 8,000 feet. The water is relatively shallow at 375 feet.

Montedison is the operator of the Vega structure in a consortium in which it has a 30 per cent stake. Other stakes are held by AGIP, the Italian state oil company, which has 30 per cent, Canada Northwest Italiana, 20 per cent, Elf Italiana, 10 per cent, and Petromarine Italiana, 10 per cent.

Confirmation of the field's capacity caused shares in Montedison, whose price has been depressed lately, to rise 7.5 per cent on the Milan Stock Exchange yesterday.

The drilling of Vega One, which is about ten miles off Ragusa in south-eastern Sicily, began in August 1980. The discovery was announced in March, 1981. The rig moved to a different location on the Sicilian coast, before returning recently to drill Vega Three. The current programme involves drilling a third well, Vega Two, about 1½ miles from Vega One.

Though Montedison is primarily a chemical company, it has long had a hydrocarbons exploration programme. Last year it produced 330m cubic metres of gas and a small quantity of oil from 13 fields in Italy.

Its current exploration programme has a budget of lire 90bn (£37.5m) for the three years 1981-83. A small off-shore oilfield, Mila, close to Vega, is being developed for production after being discovered in 1978.

A refinery at Priolo on the Sicilian mainland is equipped to deal with heavy crude of the type that has been discovered. It was built to handle very heavy crude from the Gela offshore field which was discovered in 1956.

Continued from Page 1

Health

The new hope for a breakthrough appears to have come from a paper written by the non-TUC unions, plus the TUC-affiliated Health Vicitors Association, in response to Mr Fowler's previous two-year offer.

One offer gave 7.5 per cent from June this year, with a furtheir 4 per cent in January, and the other gave 6.5 per cent backdated to April, with a further 5 per cent in the new year.

The Government had already hinted it might increase the second stage of the offers.

Continued from Page 1

U.S. output

encouraging improvements in the early summer.

Wholesale prices reflected a similar widespread economic weakness.

The Labour Department said that two-thirds of the reduction in wholesale inflation, at a monthly rate of 0.6 per cent in July and August, was due to discounts on car prices by manufacturers to clear 1982 model stocks.

But prices for food, durable goods and capital equipment also fell significantly during the month.

Fuel prices rose by 0.4 per cent as sharp increases in natural gas prices more than made up for a decline in oil products.

Paul Taylor writes from New York: Wall Street set a record yesterday for number of shares traded in a week. Elsewhere in the markets the recent euphoria subsideda s short-term U.S. interest rates increased slightly and bond prices fell.

By lunchtime more than 550m shares were traded in the New York Stock Exchange this week.

Continued from Page 1

Inflation rate falls

has a repayment value this month of £255.23. This will fall on November 1 to £255.08.

The retail price index in September was 322.9 (1974=100), a decrease of 0.1 per cent on the August figure of 323.1 and an increase of 7.3 per cent in the 12 months since September 1981 (301.0).

The annual rate of increase of 7.3 per cent compares with 8.0 per cent in August, 10.4 per cent when the March Budget was presented, 12 per cent at the turn of teh year and a peak of just under 27 per cent shortly after the General Election.

The Tax and Price Index (TPI), which measures the pre-tax income needed to keep pace with prices, rose by 7.9 per cent in the 12 months to September compared with 8.7 per cent in August. The index is now at 168.9 (1978=100).

Apart from the mortgage rate cuts, the September figures were together more than enough to offset price rises in most other sectors.

Ministers intend to use the new figures to try to keep the level of wage settlements in the coming pay round low.

Sir Geoffrey Howe, the Chancellor, has been stressing that the pay offer to health service workers and miners is improving all the time.

INTERNATIONAL INFLATION

	Annual rate of increase of retail prices*
UK	7.3
U.S.	5.9
Japan	3.1
West Germany	5.1
France	10.9
Italy	17.0
Canada	10.6
Greece	22.2
Ireland	17.0
Iceland	49.2
Australia	10.7
Holland	5.9
OECD average	7.8
Common Market average	9.6

* UK figure for September, all others for August. Source: OECD

Weather

UK TODAY

CLOUDY with rain.

London, SE England, Anglia
Cloudy with rain, becoming brighter. Max 13C (55F).

Northern Scotland, Central Highlands
Dull, with rain, heavy at times. Max 10C (50F)

Rest of England and Scotland, Wales and N Ireland
Cloudy with showers. Dry later. Max 12C (54F).

Outlook: Windy and cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	13	64	L Angt	C	17	63
Algiers	F	23	73	Luxmbg	H	8	46
Amsdm	F	13	55	Luxor	S	37	99
Athens	S	25	77	Madrid	S	18	61
Bahrain		—	—	Majorca	F	21	70
Barcina	S	19	66	Malaga	S	24	75
Beirut		—	—	Malta	S	25	77
Belfast	S	9	48	M'chstr	S	11	52
Belgrd	S	20	68	Melbne		—	—
Berlin	C	13	55	Mx Ct		—	—
Biarritz	C	13	55	Miamit	F	26	79
Bmghm	F	11	52	Milan	F	17	63
Blackpl	S	11	52	Montrlt	F	9	48
Bordx	F	16	61	Moscow	R	13	55
Boulgn	F	14	57	Munich	C	10	50
Bristol	S	12	54	Nairobi		—	—
Brussels	R	11	52	Naples	F	21	70
Budpst	R	13	55	Nassau		—	—
Cairo	C	31	88	Nwcstl	S	11	52
Cardiff	S	13	55	N York†		—	—
Cas'bca	C	20	68	Nice	S	21	70
Cape T	C	19	66	Nicosia	F	26	79
Chicgt		—	—	Oporto	F	17	63
Cologne	C	12	54	Oslo	R	6	43
Cpnhgn	R	11	52	Paris	F	13	55
Corfu	F	25	77	Perth	S	24	75
Denvert	S	7	45	Prague	F	12	54
Dublin	S	11	52	Rykjvk	R	3	37
Dbrvnk	F	22	72	Rhodes	C	22	72
Ednbgh	S	11	52	Rio J'ot		—	—
Faro	S	20	68	Rome	S	21	70
Florence	F	18	64	Salzbrg	C	12	54
Frankft	F	12	54	S'ciscot	C	12	54
Funchal	R	21	70	S Mrtz		—	—
Geneva	C	11	52	Singapr	T	28	82
Gibrltr	S	23	73	S'tiagot		—	—
Gl'sg'w	S	11	52	Stckhm	C	7	45
G'nsey	F	13	55	Strasbg	C	12	54
Helsinki	C	6	43	Sydney		—	—
H Kong	F	29	84	Tangier	F	20	68
Innsbrk	C	13	55	Tel Aviv	R	28	82
Invrnss	S	10	50	Tenerife	F	24	75
IoMan	F	10	50	Tokyo	F	24	75
Istanbul	S	23	73	T'r'ntot	S	8	46
Jersey	S	13	55	Tunis	F	25	77
Jo'burg	F	23	73	Valencia	S	21	70
L Plms	F	22	72	Venice	S	17	63
Lisbon	S	17	63	Vienna	F	14	57
Locarno	F	17	63	Warsaw	F	15	59
London	F	12	54	Zurich	F	9	48

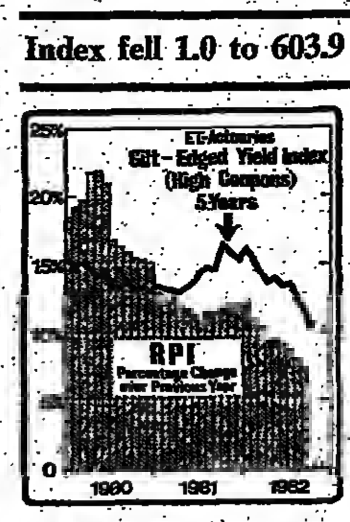
C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Au revoir, inflation

The U.S. M1 money supply figures have been consigned to the dustbin as a freakish curiosity, but the anticipation of a weekly increase of the same order of magnitude as first world war reparations kept the bond markets in a respectfully subdued state yesterday. Yet they have had a remarkable week, with gilt-edged prices adding five points on Monday and Tuesday and the bulk of a new stock being taken up in the next two days, while the equity market established itself above 600 on the FT 30-Share Index. A half point cut in bank base rates and a Treasury bill rate below 9 per cent completed the party.

Still, the markets' appetite for new paper is gradually being satisfied. Private sector, foreign and local authority bond issues are beginning to make up for the Government Broker's absence from the long-dated gilt-edged market and flotations by STC, ISC and Britoil are relieving any equity shortage. One notable feature of the past week has been the demand for index-linked stocks; the authorities will surely issue another indexed tranche before long, even though they may have felt that a day on which a fall in the retail price index was reported made an inappropriate launch-pad.



8 or 9 per cent. The Government's determination to prevent the public sector putting too much pressure on the figures is reflected in the postponement of price increases by both British Rail and British Telecom.

With petrol rises coming through, a pick up in food prices and signs that the pressure on retailers may be very slightly easing, the month by month performance of the index may conform with the underlying trend in October and November. But the much-mooted further fall in the mortgage rate will provide a substantial deceleration. That should come through in either December or January, and 2 points off the mortgage rate reduces retail price levels by about 0.7 per cent. So, even with normal indexation of indirect taxes in the Budget, the annual inflation rate looks fairly certain to be in the region of 5 per cent next spring.

But despite the claims by Mr Paul Volcker that the inflationary momentum has been broken, UK private sector wage deals in the current round seem to be running at about 7 per cent. So by the second half of next year, when the monthly comparisons will anyway be tough to match, the inflation rate is likely to be moving up again, possibly reaching 7 per cent by year-end. To hold that upward movement in check, the next budget may have to be fiscally tight enough to produce further interest rate cuts.

Inflation

Tory ministers must be looking with longing at Mr Denis Healey's inflation ready-reckoner, patented in 1974. On that famous occasion, when inflation was heading for the upper reaches of the '20s, he displayed prodigious arithmetical agility by claiming an underlying rate rate of 8.7 per cent, derived by annualising the distorted trend of the previous three months. A similar exercise, conducted today, yields a rate of precisely 0 per cent between June and September. The decline in the rate — albeit slight — in September was the first for 12 years, and stockbrokers are now looking for an end-year figure comfortably below the Chancellor's recent 6½ per cent forecast.

September's figures have been flattered by a good harvest, which has reduced fresh fruit prices, and more importantly, the reduction in mortgage payments. The underlying inflation rate seems to be fairly stable at about 8 per cent a year. Private-sector inflation is running considerably below this, while the underlying rate in the nationalised industries may be

Stores

Since his purchase restrictions were abandoned in mid-July, conveniently coinciding with an upturn in disposable incomes, the stores sector has gone through a hefty re-rating. Enthusiasm reached a high point at the end of September, when share prices were sitting on a 33 per cent increase over the 10-week period.

Since then, the market has gone off the boil following a spate of poor interim results from some of the weaker groups—notably UDS and Debenhams—and some downright horrors from the mail order retailers. But it still sports some of the fancier p/es in the actuaries indices, and the re-rating has clearly fed through from the big quality stocks to the second division favourites like Harris Queensway and MFI.

Behind the market's behaviour lies a broad-based rethink of the stock market in a period of lower inflation. Stores performed relatively well through the recession, mainly because they were seen as a hedge against inflation—as a sector that would move in line with it. Conversely, now that inflation is being stamped out of the system, they are being promoted as the shunting engines that will put the locomotives in place for the cyclical recovery. Next Spring's budget looms large in this demand-based scenario, but before that the argument goes, stores should be helped by reductions in costs and a steady upswing in retail sales.

Costs have already started to come down, partly because staff cuts have more than cancelled out relatively high wage increases, and partly because lower public sector inflation is beginning to reduce other overhead costs such as rates and heating. The August retail sales figures also showed a mini surge, while the declining savings ratio, higher personal bank borrowing and mortgage reductions all suggest more shop spending.

Even so, none of these factors yet points convincingly to a runaway boom, although consumer durables such as electrical, white goods and furniture have fared well over the last two months. Nor, on past trends, is there much more room to draw down savings and/or increase borrowings. Share prices as they stand discount modest tax giveaways in next spring's budget. A round of really good figures from British Home Stores and Marks and Spencer could build up some more steam in the sector, but a great deal is still riding on the Chancellor's despatch box.